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# Corporate Development and Growth Strategy for Tech CEOs Primer for 2024

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## Corporate Development and Growth Strategy for Tech CEOs Primer for 2024

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Initiatives: Corporate Development and Growth Strategy for Tech CEOs

To accelerate growth, tech CEOs must apply a mix of strategies, including market expansion, partnerships, M&A, and securing the necessary funding. Careful planning and bold execution are vital to building competitive advantage and thriving in a rapidly changing and challenging environment.

### Scope

This initiative covers the corporate development and expansion actions that providers must pursue when planning and executing strategies for growth beyond their current products and customer segments.

Topics in this initiative include:

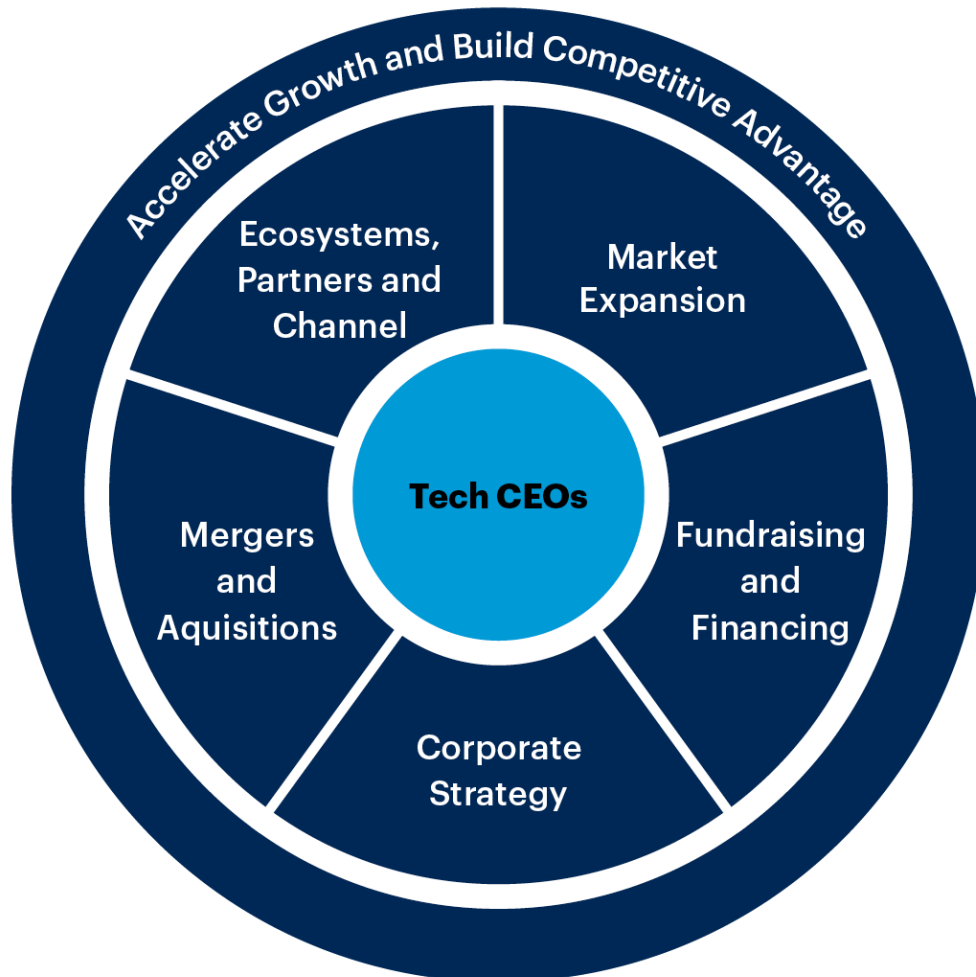
- **Corporate Strategy:** Build a sustainable business model and strategic plans that adapt to changes in the market and deliver competitive advantage.
- **Fundraising and Financing:** Evaluate financing needs and sources of funding, and prepare to raise outside capital.
- **Market Expansion:** Assess the attractiveness and risks of expanding into new verticals, geographies and products or services.
- **Mergers and Acquisitions:** Explore exit options, evaluate acquisition targets, and execute due diligence and postmerger integration.
- **Ecosystems, Partners and Channel Strategy:** Develop the optimal mix of direct and indirect routes to market, including partners, ecosystems and alliances.

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## Analysis

Figure 1. Corporate Development and Growth Strategy for Tech CEOs Overview

### Corporate Development and Growth Strategy for Tech CEOs



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The current economic environment is marked by complexity, unpredictability and rapid transformation, and the concept of growth in 2024 has evolved. For tech CEOs, the challenge of growing is no longer just about scaling up, but doing so efficiently and sustainably. This demands a focus on building sustainable competitive advantages, creating sustainable strategies for expansion, and maintaining sustainable cash flows – all while meeting the heightened expectations of not only customers, but also employees, investors and the market in general.

## Tech CEOs must strike a delicate balance in 2024 to propel their companies forward.

The pursuit of growth is a complex equation for tech CEOs; it needs to balance the ambitions and vision of the leadership team and shareholders with market factors, customer needs and operational constraints. Expansion is an inevitable part of the growth equation, and a topmost priority for tech CEOs. This means creating new revenue streams or developing strategies to build market share in existing markets.

Gartner's tools and insights will help tech CEOs to answer the following questions:

- Which mix of growth strategies do I need to employ to hit my financial goals?
- Which adjacent markets are the most attractive and which can we execute successfully?
- Would a new vertical, geography or portfolio expansion be best for my business?
- What mix of sales channels – digital, direct and partners – will be most effective?
- How can mergers and acquisitions (M&A) support our corporate strategy?

Efficient growth requires more than clear direction. Execution requires the resources and capabilities in place to succeed – these must be built or acquired.

Gartner's insights will help tech CEOs to answer the following questions:

- How must our business model evolve to support our growth strategy?
- How can I finance expansion?
- How should I prioritize strategic investments?

## Topics

Gartner's corporate development and growth strategy for tech CEOs initiative covers insights needed for making critical strategic decisions and includes top practices for revenue expansion.

Our research in this area addresses the following topics:

## Corporate Strategy

Corporate strategy is essential to prevent and overcome growth stalls. Strategic plans must be succinct, inspiring and well-communicated, guiding the company's course. Strategic plans must be translated into strategic initiatives and operational plans, and should be evaluated regularly to determine whether the company needs to expand, pivot or sustain.

When individuals and teams have a clearly defined, meaningful and visible strategy and vision, they drive in the correct direction, and investment decisions are made to a clear framework against a well-defined set of goals and targets.

## Questions Your Peers Are Asking

- How should our vision, direction and priorities change to meet our ambitions and the trends in the market?
- How do we evaluate, evolve and pivot our business model?
- How do we collaborate and communicate with stakeholders to create and deliver a winning strategy?

## Recommended Content

🔒 Some recommended content may not be available as part of your current Gartner subscription.

- Network Effects Are Rocket Fuel for Driving Adoption and Growth for B2B Products and Services
- How to Build a Managed Service Business as a Tech CEO
- The Tech CEO Roadmap for Transitioning From Services to Products
- Startup Lift: Navigating Pivots to Achieve a Product-Market Fit
- Tech CEO Insight: Develop These 4 Attributes to Become a Data-Driven Leader

## Planned Research

- How to work with the board to validate the corporate strategy
- How should strategic goals and the role of the CEO change for each stage of growth
- How to build moats and establish enduring competitive advantage

## Fundraising and Financing

Going into 2024, global funding has been in decline. Despite strong investment in AI, the shifted landscape has affected every sector and stage of the venture capital ecosystem, resulting in lower deal volume, exits and valuations compared to prior years.

As companies grow, long-range financial plans are needed to support strategic decisions. Companies that fail to plan for their future financing needs, or that don't design their optimal capital structure can get blindsided by changed conditions or fail to capitalize on growth opportunities, leading to stall points.

While there are many options other than venture capital available, irrespective of the company stage, outside finance can present immense opportunities for sustainable, accelerated growth..

## Questions Your Peers Are Asking

- How do I determine my future funding needs for our growth ambitions and business model?
- How do I execute a successful financing or funding round in my region and for my business model?
- How do I prepare the company to increase its chances of a successful fundraise?

## Recommended Content

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- Startup Lift: Develop Your Venture Capital Funding Plan From Series A to Z
- 10 Fundraising Levers Tech CEOs Can Adjust to Lead Through Uncertainty During Market Disruptions
- How Tech CEOs Should Structure Seed Financing

- Startup Lift: Go Viral to Improve Product-Led Growth Fundraising
- Tech CEOs: How to Build a Fundraising Pitch to Secure an Investor Meeting

## Planned Research

- Quarterly fundraising monitor reports – keep up with trends.
- Modeling out future financing needs.
- How to complete financial planning for investor pitches.
- Storytelling – building urgency with investors.
- How to make your company desirable.

## Market Expansion

To achieve accelerated growth, businesses can assess the attractiveness of expansion into a new industry vertical, an adjacent product or service area, or a new geography. This often proves challenging as the business endeavors to expand into new or unfamiliar areas.

Market expansion requires as much preliminary research and due diligence as launching a new business. While market expansion promises great value, poor execution and inadequate preparation can lead to wasted investments –to avoid this, there must be a clearly defined strategy.

## Questions Your Peers Are Asking

- How do we build a geographic, industry or portfolio expansion strategy?
- How should we execute market expansion to minimize risk and maximize impact?
- Which expansion strategy will expand our sales and increase our addressable market?

## Recommended Content

🔒 Some recommended content may not be available as part of your current Gartner subscription.

- How to Use Gartner Market Data to Assess Opportunities for Growth
- Two Agile Tactics to Start Geographic Market Expansion as a Tech CEO

- Tech CEOs: Take a Minimum Viable Verticalization Growth Strategy
- Key Actions for Tech CEOs to Successfully Execute Their Geographic Expansion
- Tech CEOs: Overcome 7 Barriers to Achieve U.S. Market Expansion

## Planned Research

- What expansion strategy to take, and when.
- How to assess a new market segment for expansion.
- How to confidently develop and frame expansion strategies.
- How to decide which geography to expand into.
- How to unlock cross-sell and upsell opportunities with portfolio expansion.

## Mergers and Acquisitions

M&A transaction activity is likely to remain sluggish due to higher cost of capital, lack of clarity in economic forecasts and continued divergence in bid-ask negotiations.

When unfavorable market conditions prevail, there is often a pent-up supply of M&A sellers. These market conditions provide big opportunities for M&A buyers – great news for companies whose strategic plan includes growth.

Tech CEOs should consider M&A – as both buyer and seller – as a core strategy for accelerated growth. Success in M&A requires a strategic approach, including thorough due diligence and alignment with corporate objectives. M&A is fundamental to expanding revenue, capabilities and advantages.

## Questions Your Peers Are Asking

- What is the best way to build and evolve an exit strategy during periods of growth?
- What are the critical success factors for successful M&A transactions?
- What are the key elements to a successful postmerger integration?

## Recommended Content

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- M&A as a Growth Strategy for Tech CEOs
- A Tech CEO's Guide to Laying the Foundations of an Exit Strategy
- M&A Lessons Learned and Actions to Take for Tech CEOs
- Buy-Side M&A Go/No-Go Evaluation Process for Tech CEOs
- Buyer Beware: Find M&A Red Flags and Uncover Deal Busters for Tech CEOs

## Planned Research

- Quarterly M&A trends.
- How to evaluate strategic options for exit strategy.
- Top things to avoid postmerger.

## Ecosystems, Partners and Channel Strategy

Success in a market is largely defined by how well a company is able to reach customers. In determining the optimal mix of routes to market, tech CEOs must balance the capabilities of the company with the competitive landscape and the opportunities for market share expansion.

While a direct sales model often has the greatest return on investment, the integration of indirect sales channels, including partnerships, can significantly enhance market reach and revenue growth. The best approach may be 100% direct, 100% indirect, or a blend of both. The choice of route to market should be based on the company's goals and evaluation of how each option drives growth. Irrespective of the route, tech CEOs must have a plan for how they will embrace, influence and gain synergies from the ecosystems they operate within.

## Questions Your Peers Are Asking

- How do I build a route-to-market strategy?
- How do I optimize a route to market?
- How do we evaluate our route-to-market options for business model and stage of growth?

## Recommended Content

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- Build a Referral Program as the Starting Point in a Scalable Partner Program as a Tech CEO
- How Tech CEOs Can Profit From Incorporating Ecosystems Into Their Corporate Strategy
- Startup Lift: An Easy Way for Tech CEOs to Find Their First Partners
- Startup Lift: 3 Key Components Needed to Begin a Scalable Partner Program as a Tech CEO
- Unravel Marketplaces – A Business Growth and Expansion Strategy for Tech CEOs

## Planned Research

- When to stick with 100% direct sales.
- Top considerations for becoming a successful software reseller.
- Building an ecosystem as a tech CEO.
- What to do when current channels have stalled.
- Why and when a startup should join and engage in other providers' partner programs.

## Suggested First Steps

- High Tech CEO Benchmarks
- High Tech CEO Score
- Set the Stage for Market Leadership – How Tech CEOs Must Navigate the Startup Journey

## Essential Reading

- Direct or Indirect Sales — What ROI Can Tech CEOs Expect for Each Route-to-Market
- A Tech CEO's Guide to Market Expansion Alternatives
- Quick Answer: Am I Building Indirect Channels for the Wrong Reasons?
- Assess the 8 Direct and Indirect Routes to Market: Defining Options for Tech CEOs
- Drive a Sustainable Competitive Advantage Through Strategic Investments for Tech CEOs

## Tools and Toolkits

- Tool: Route-to-Market Expansion Readiness Assessment for Tech CEOs
- Tool: How Tech CEOs Can Select the Right Channel Partners for Resell and Support
- Tool: Building a Business Case for Channel Partner Investment for Tech CEOs
- Tech CEO Tool: Strategic Investment Prioritization Scorecard
- Tech CEO Tool: Develop Strategic and Market Expansion Investment Business Cases With IRR and NPV Analysis
- Ignition Guide to Developing an M&A Integration Checklist as a Tech CEO
- Ignition Guide to Conducting Scenario Planning as a Tech CEO
- Ignition Guide to Developing a Merger and Acquisition Due Diligence Plan as a Tech CEO
- Ignition Guide to Structuring the Corporate Development Function as a Tech CEO
- Ignition Guide to Developing a Merger and Acquisition Deal Scorecard as a Tech CEO
- Ignition Guide to Creating a Corporate Strategic Plan as a Tech CEO

## Document Revision History

Corporate Development and Growth Strategy for Tech CEOs Primer for 2023 - 2  
February 2023

Corporate Development for Tech CEOs Primer for 2022 - 4 February 2022

Corporate Development for Tech CEOs Primer for 2021 - 1 February

2021 Corporate Development for Tech CEOs Primer for 2020 - 8 January

2020 Corporate Development for Tech CEOs Primer for 2019 - 2 January

2019 Corporate Development for Tech CEOs Primer for 2019 - 2 January

2019 Corporate Development for Tech CEOs Primer for 2018 - 23 May

2018

## Related Priorities

Initiative Name	Description
Product and Services Strategy for Tech CEOs	This initiative helps tech CEOs create evidence-based product and services strategies that support critical, growth-oriented GTM decisions.
Scalable Business Operations for Tech CEOs	To achieve scalable business operations, tech CEOs must focus on practices and strategies that help them effectively attract and retain talent, manage operations, predict finances, and measure KPIs.
Corporate Development and Growth Strategy for Tech	This initiative provides best practices and strategies to improve lead and demand generation, run effective programs to increase direct and indirect sales, and grow customer relationships.
Executive Leadership: Mergers and Acquisitions	This initiative will help enterprises evaluate the range of merger and acquisition decision drivers, set or adapt their M&A strategy, and successfully execute their acquisition or divestiture plans.

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