Annual Planning GTM Goals and Budget Template
The idealGTM Approach

There are three primary questions that we seek to answer when defining our annual plan:

1. How do company objectives (ARR growth) translate into functional goals/targets?
2. What resources (budget and headcount) are needed to achieve those goals?
3. What impact will the performance improvement initiatives have on my plan (comparing AS IS with a TO BE version)

Having a robust, repeatable approach to building that plan and addressing these questions increases the confidence and credibility of the resulting targets and goals. Additionally, having a formula driven model allows for real-time "what if" exploration across teams and departments to prioritize the most realistic and practical options for teams to build their operational plans around.

The model shared below (next page) is one I have used across many environments to outline the AS IS vs TO BE versions. This approach starts with what we know today:

1. A guesstimate of next years ARR target allocated by steams (Net New, Expansion, Retention) and segments (for example, Enterprise and Commercial)
2. Conversion performance across those same streams and segments

These are both required inputs to build a data-driven performance model that will yield credible goals across the funnel (# of deals to win, Opportunities and Pipeline) and the necessary inputs for budgets (Leads and Qualified Leads).

Two different functions are represented in the model below (Marketing and Partners), with the same approach and calculations applied to each. Here are the basic calculations that drive each section within the template.

Marketing: Reverse Funnel

- Copies the allocated ARR by stream and segment as well as the relevant Marketing conversion metrics and Average Contract Value (ACV)
- # Deals Won: Total ARR / ACV
- # of Opportunities: # Deals / Oppty to Deal conversion rate
- Pipeline Value: # of Opportunities x ACV
- # of Qualified Leads (QLs): # of Opportunities / QL to Oppty conversion Rate
- # of Leads: # of QLs / Lead to QL conversion rate

Budget Calculations: requires additional input for most recent Cost Per Lead (or Qualified Lead), and the distribution of leads across primary sources or tactics by Segment. With that the per Source budget is calculated as: Total Leads (Net New + Expansion) * % of TTL * CPL

Summing the sources yields the Total Budget (Investment) needed to achieve the target ARR.

Replicating that budget process for the “TO BE” version is done by copying over the same values, then adjusting the conversion table based on the initiatives you plan to invest in. Each initiative should be assigned an impact as represented in the blue outlined box on the right hand side.

Updating the relevant conversions will create new targets (Leads or QLs) that are then captured by the budget formulas. The differences or impacts are calculated as % Changes and are represented in the green shaded box. For this example we see the improved conversion yields a lower number of leads for both Enterprise and Commercial to meet the same ARR target. Cost savings are calculated based on the fewer leads. If in a “Budget Reduction” mode, those savings can be given back to Finance or if the goal is to further increase ARR, you can apply those savings to the best performing segments and sources (or tactics).

For the latter, a “reverse model” can be developed that shows more leads + improved conversion yields higher ARR. While not illustrated here, this is a good exercise to show a “bottoms up” view of the plan to ensure there are no capacity limitations (i.e. by increasing the number of leads do we need to higher more SDRs? More AEs?).

There are arguable 100s if not 1000s of different ways to build a model, and even delve deeper into specific source and tactic conversion. This provided model is meant to be a good starting point that has proven to be effective and answers the primary questions outlined at the beginning.

If this is helpful or if you have questions on the logic/formulas, please don’t hesitate to contact me (see below) to clarify the approach or how to apply to your scenario.

Contact Info: LinkedIn | michael@idealGTM.com

This top left section captures baseline or expected goals and allocations (Total ARR, % of ARR from Marketing, % from Partners) and how distributed across Market Segments (Enterprise vs Commercial). These values will be copied below into each Revenue stream to calculate outcomes and budgets.

This section uses the AS IS Marketing performance and a Reverse Funnel to calculate the leads needed to drive the Opps & Pipeline to meet revenue. targets.

Based on the above targets and recent Cost data (Cost Per Lead) to calculate a baseline budget.

The same approach from above is used here for Partner channel. The primary differences are outlining the Partner tactics (MDF, Events, Referrals), and what initiatives can drive improvement.

idealGTM

GTM Model - Annual Planning

Period: FY 2025
Verson: 1.0

2025 Goal Inputs

Total ARR ($M): $50

ARR Streams	% Contribution	ARR ($M) Cont	ACV ($) Enterprise	ACV ($) Commercial
Net New	40%	$20	$70,000	$40,000
Expansion	40%	$20	$100,000	$60,000
Retention	20%	$10	$68,000	$39,000

Allocation ($ ARR) by Market Segment

Allocation	Enterprise	Commercial/SMB
Net New	40%	60%
Expansion	75%	25%
Retention	55%	45%

$ARR Targets by Market Segment

	Enterprise	Commercial/SMB
Net New	$8.00	$12.00
Expansion	$15.00	$5.00
Retention	$5.50	$4.50
TTL ARR ($M)	$28.50	$21.50

Contributions by Segment

Enterprise Segment - Allocation by Stream & Function

	Marketing	Sales	Partner	Customer Team	Total
Net New	60%	20%	15%	5%	100%
Expansion	40%	20%	10%	30%	100%
Retention	0%	10%	5%	85%	100%

ARR ($M)

	Marketing	Sales	Partner	Customer Team	Total
Net New	$4.80	$1.60	$1.20	$0.40	$8.00
Expansion	$6.00	$3.00	$1.50	$4.50	$15.00
Retention	$0.00	$0.55	$0.28	$4.68	$5.50
TTL ARR	$10.80	$5.15	$2.98	$9.58	$28.50

Commercial Segment - Allocation by Stream & Function

	Marketing	Sales	Partner	Customer Team	Total
Net New	60%	20%	15%	5%	100%
Expansion	40%	20%	10%	30%	100%
Retention	0%	10%	5%	85%	100%

ARR ($M)

	Marketing	Sales	Partner	Customer Team	Total
Net New	$7.20	$2.40	$1.80	$0.60	$12.00
Expansion	$2.00	$1.00	$0.50	$1.50	$5.00
Retention	$0.00	$0.45	$0.23	$3.83	$4.50
TTL ARR	$9.20	$3.85	$2.53	$5.93	$21.50

This top right section represents historical performance (last 12 to 18 months) related to Conversion metrics for each GTM stream. At minimum, you should match the granularity of your revenue plan at left (Streams x Segment, etc). The values are used below to calculate outcomes and budgets for each function.

2024 Performance Parameters

Conversion Performance

Enterprise Segment by Stream & Function

Net New	Marketing	Sales	Partner	Customer
Lead to QL	55%	75%	65%	70%
QL to Oppty	6%	10%	20%	25%
Oppty to Deal	20%	25%	30%	30%
ETE Funnel	0.66%	1.88%	3.90%	5.25%

Expansion	Marketing	Sales	Partner	Customer
Lead to QL	70%	80%	75%	80%
QL to Oppty	20%	20%	30%	30%
Oppty to Deal	30%	35%	35%	40%
ETE Funnel	4.20%	5.60%	7.88%	9.60%

Retention	Marketing	Sales	Partner	Customer
Lead to QL	-	100%	100%	100%
QL to Oppty	-	100%	100%	100%
Oppty to Deal	-	95%	98%	99%
ETE Funnel	-	95.00%	98.00%	99.00%

Commercial Segment by Stream & Function

Net New	Marketing	Sales	Partner	Customer
Lead to QL	65%	90%	80%	80%
QL to Oppty	8%	15%	25%	30%
Oppty to Deal	25%	35%	35%	35%
ETE Funnel	1.30%	4.73%	7.00%	8.40%

Expansion	Marketing	Sales	Partner	Customer
Lead to QL	80%	90%	80%	90%
QL to Oppty	25%	25%	35%	40%
Oppty to Deal	35%	40%	40%	40%
ETE Funnel	7.00%	9.00%	11.20%	14.40%

Retention	Marketing	Sales	Partner	Customer
Lead to QL	-	100%	100%	100%
QL to Oppty	-	100%	100%	100%
Oppty to Deal	-	90%	92%	99%
ETE Funnel	-	90.00%	92.00%	99.00%

Marketing Channel Budget Model

Marketing Model - Baseline Targets

2025 Reverse Funnel - Baseline

Conversions By ARR Stream (from 2024 Performance Section)

	Enterprise Net New	Enterprise Expansion	Commercial Net New	Commercial Expansion
Lead to QL	55%	70%	65%	80%
QL to Oppty	6%	20%	8%	25%
Oppty to Deal	20%	30%	25%	35%
ETE Funnel	0.66%	4.20%	1.30%	7.00%
ACV (from above)	$70,000	$100,000	$40,000	$60,000
Scale Factor	1,000,000			
ARR Goal ($M)	$4.80	$6.00	$7.20	$2.00
# Deals	69	60	180	33
# Opptys	343	200	720	95
Pipeline ($M)	$24.00	$20.00	$28.80	$5.71
# QLs	5,714	1,000	9,000	381
# Leads	10,390	1,429	13,846	476

Estimated Budget By ARR Stream (from 2024 Performance Section)

Leads & Budget by Source	Enterprise Calculations CPL ('24)	Enterprise % TTL Leads	Enterprise Est Budget	Commercial Calculations % TTL Leads	Commercial Est Budget
Paid Search	$125	26%	$384,091	31%	$554,991
Organic Search	$60	25%	$177,273	26%	$223,429
Direct	$15	27%	$47,864	28%	$60,154
Events	$110	12%	$156,000	8%	$126,837
3rd Party	$15	8%	$14,182	6%	$12,890
Paid Social	$85	2%	$20,091	1%	$12,174
Segment Budget			$799,500		$989,674
Total Programs Investment		$1,789,174			

Marketing Model - Revised Targets

2025 Reverse Funnel - Revised

Conversions By ARR Stream (applying 2025 Improvement to Conversion)

	Enterprise Net New	Enterprise Expansion	Commercial Net New	Commercial Expansion
	55%	70%	65%	80%
	7%	21%	9%	26%
	22%	32%	27%	37%
	0.85%	4.70%	1.58%	7.70%
	$70,000	$100,000	$40,000	$60,000
Scale Factor	1,000,000			
ARR Goal ($M)	$4.80	$6.00	$7.20	$2.00
# Deals	69	60	180	33
# Opptys	312	187.5	667	90
Pipeline ($M)	$21.82	$18.75	$26.67	$5.41
# QLs	4,453	893	7,407	347
# Leads	8,096	1,276	11,396	433

Improvement Initiatives (Enterprise + Commercial)	Impacts	
1: Net New QL to Oppty +1pt from better targeting	Enterprise Leads	-21%
2: Net New Oppty to Deal +2pts from improved Enablement	Commercial Leads	-17%
3: Expansion QL to Oppty +1 from better targeting	Cost Reduction	-19%
4: Expansion Oppty to Deal + 2pts from targeted upgrades		

Estimated Budget By ARR Stream (applying 2025 Improvement to Conversion)

Leads & Budget by Source	Enterprise Calculations CPL ('24)	Enterprise % TTL Leads	Enterprise Est Budget	Commercial Calculations % TTL Leads	Commercial Est Budget
Paid Search	$125	26%	$304,568	31%	$458,379
Organic Search	$60	25%	$140,570	26%	$184,535
Direct	$15	27%	$37,954	28%	$49,682
Events	$110	12%	$123,701	8%	$104,096
3rd Party	$15	8%	$11,246	6%	$10,646
Paid Social	$85	2%	$15,931	1%	$10,055
Segment Budget			$633,969		$817,393
Total Programs Investment		$1,451,363			
Estimated Change		-$337,811	% Change	-18.88%	

Here you define the "TO BE" performance and identify the initiatives (blue outlined box) that will impact conversion. Those improvements will update the calculations and the budget below.

The green box shows specific impacts and Cost savings. These can be re-allocated to top sources to increase ARR.

Partner Channel Budget Model

Partner Model - Baseline Targets

2025 Reverse Funnel - Baseline

Conversions By ARR Stream (from 2024 Performance Section)

	Enterprise Net New	Enterprise Expansion	Enterprise Retention	Commercial Net New	Commercial Expansion	Commercial Retention
Lead to QL	65%	75%	100%	80%	80%	100%
QL to Oppty	20%	30%	100%	25%	35%	100%
Oppty to Deal	30%	35%	98%	35%	40%	92%
ETE Funnel	3.90%	7.88%	98.00%	7.00%	11.20%	92.00%
ACV (from above)	$70,000	$100,000	$68,000	$40,000	$60,000	$39,000
Scale Factor	1,000,000					
ARR Goal ($M)	$1.20	$1.50	$0.28	$1.80	$0.50	$0.23
# Deals	17	15	4	45	8	6
# Opptys	57	43	4	129	21	6
Pipeline ($M)	$4.00	$4.29	$0.28	$5.14	$1.25	$0.24
# QLs	286	143	4	514	60	6

Estimated Budget By ARR Stream (from 2024 Performance Section)

Leads & Budget by Source	Enterprise Calculations CP QL ('24)	Enterprise % TTL Leads	Enterprise Est Budget	Commercial Calculations % TTL Leads	Commercial Est Budget
Partner MDF	$500	75%	$162,262	60%	$174,824
Partner Events	$850	18%	$66,203	32%	$157,782
Partner Referrals	$375	7%	$11,358	8%	$17,402
TTLs		100%	$239,823	100%	$349,208
Total Programs Investment		$589,031			

Partner Model - Revised Targets

2025 Reverse Funnel - Revised

Conversions By ARR Stream (applying 2025 Improvement to Conversion)

	Enterprise Net New	Enterprise Expansion	Enterprise Retention	Commercial Net New	Commercial Expansion	Commercial Retention
Lead to QL	66%	76%	100%	81%	81%	100%
QL to Oppty	22%	32%	100%	27%	37%	100%
Oppty to Deal	30%	35%	98%	35%	40%	92%
ETE Funnel	4.36%	8.51%	98.00%	7.00%	11.20%	92.00%
ACV (from above	$70,000	$100,000	$68,000	$40,000	$60,000	$39,000
ARR Goal ($M)	$1.20	$1.50	$0.28	$1.80	$0.50	$0.23
# Deals	17	15	4	45	8	6
# Opptys	57	43	4	129	21	6
Pipeline ($M)	$4.00	$4.29	$0.28	$5.14	$1.25	$0.24
# QLs	260	134	4	476		

Improvement Initiatives (Enterprise + Commercial)	Impacts	
1: Net New QL to Oppty +1pt from tiered Partner Programs	Enterprise Leads	-8%
2: Net New Oppty to Deal +2pts increasing MDF efficiency	Commercial Leads	-7%
3: Expansion QL to Oppty +1 from tiered Partner Programs	Cost Reduction	-8%
4: Expansion Oppty to Deal + 2pts increasing MDF efficiency		

Estimated Budget By ARR Stream (from 2024 Performance Section)

Leads & Budget by Source	Enterprise Calculations CP QL ('24)	Enterprise % TTL Leads	Enterprise Est Budget	Commercial Calculations % TTL Leads	Commercial Est Budget
Partner MDF	$500	75%	$149,173	60%	$161,630
Partner Events	$850	18%	$60,863	32%	$146,545
Partner Referrals	$375	7%	$10,442	8%	$16,163
TTLs		100%	$220,478	100%	$324,338
Total Programs Investment		$544,816			

As before, this green box highlights the impacts and savings that can be reallocated to top tactics to grow ARR further.