

Episode 161: Supply Chain - Expanding Markets: SOM, SAM, and TAM

You talk about astutely defining how to address local, national, and international markets! Let me repeat that—you talk about astutely defining how to address local, national, and international markets! And, of course, the most thoughtful, most effective approach to markets was pretty much "seeded" in the Old Testament, then it was strategically expanded to fullness in the New Testament—by word and by deed!

Let's back up for a few minutes on just what we *are* defining. Many technology entrepreneurs and venture capitalists frame strategic marketing into three layered designations for marketing, especially when focused on enterprises expecting to succeed in large regional, national, and international markets. Those three designations are TAM, SAM, and SOM...let's express those in just a few words here.

- TAM is the Total Addressable Market. TAM is the total market that the enterprise could serve.
- SAM is the *Serviceable Available Market*. SAM is the portion of the total market that your enterprise can *realistically* capture and serve as a reasonable goal.
- SOM is the *Serviceable Obtainable Market*. SOM's the portion of the available market that your enterprise *can capture in the short term*.

Get that? TAM is the very biggest picture. Next, SAM is realistic goals. And SOM is short-term capture.

Now, here's a very key factor to think about when it comes to these three categories: astute vision and advances in technology can and do significantly change the possibilities for expansion of markets. That means that technology-enhanced capacity in supply chains can transform the market opportunities for many enterprises. Hey, visionary, newly-built transcontinental railroads in America in the late 1800s essentially created new market opportunities. For example, beef raised in western states of the U.S. could now be easily shipped eastward while Sears could easily ship consumer goods westward from Chicago to remote populations. And the U.S. interstate highway system begun in the 1950s enhanced market opportunities even more. And, of course, visionary innovations like the telephone, radio, TV and satellites made very significant contributions in facilitating fresh, exciting market activity opportunities.

Likewise, the past several decades, the computer hardware and software, the internet, and all kinds of related technologies have radically transformed market opportunities, especially for those enterprises that pioneered using the latest and greatest digital infrastructure. Take Google. Because its search engine is purely digital in delivery, its market opportunity was and remains astounding. Accordingly, Google quickly moved through its SOM—its capture of users in the short-term...then its SAM—you know, what market position it could realistically expect to capture for its business model—was fulfilled pretty quickly too. Google even decisively blew past any reasonable TAM—its biggest possible market as originally perceived by many—largely because Google was so popular that Google itself apparently expanded its own total market. Yes, Google did that by being so very good at search that many ordinary, non-techies started using it. Amazing...Google not only got to a total-market mentality pretty quickly, it actually helped redefine and expand its earlier expectations of just who its targeted users were!

The temptation is to think Amazon is much the same...except it isn't! Amazon started its business as a "hybrid" supply chain—using digital supply chain for shopping, ordering and processing—but needing the good old-fashioned physical supply chain infrastructure like trucks and highways...with delivery in the early days often delegated to FedEx, UPS, and the U.S. Postal Service. Amazon took a while to gain adoption, but its very savvy hybrid supply chain using both digital and physical delivery precipitated an incredible business success story. But its migration was much more "standard" than Google's: first, the short-term capture and service selling books, then realistically moving into other consumer products, then moving to a more total market presence, including pure-digital services like Amazon Prime Video.

So this significant contrast deserves your close attention: Google and other pure-digital companies more easily migrated internationally into many countries, while Amazon's complex product distribution



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operations make a total *worldwide* addressable market a much tougher strategic path. Isn't all that just revealing? No wonder enterprises like Google and Amazon are among the most valuable in the world!

But what's truly astonishing is how God navigated, enabled, and facilitated the very same strategic market and supply chain categories of TAM, SAM, and SOM. The startling thing is, with just a few short verses easily recalled by every serious Christian, God addresses the total market (TAM), the realistic market (SAM), and the short-term market (SOM) for the Gospel of God's Kingdom. Let's look at all three.

First, the total market defined by God for the Gospel is *every person worldwide!* So, how do we know that? Because the Apostle Paul wrote this to Timothy about *all people*: "This is good, and it is pleasing in the sight of God our Savior, who desires all people to be saved and to come to the knowledge of the truth." (1 Timothy 2:3-4 ESV) And, of course, the *location* of "all people" was defined by Jesus Himself: "Go therefore and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, teaching them to observe all that I have commanded you. And behold, I am with you always, to the end of the age." (Matthew 28:19-20) And, likewise, what did Mark's Gospel record that Jesus said? "Go into all the world and proclaim the gospel to the whole creation. Whoever believes and is baptized will be saved, but whoever does not believe will be condemned." (Mark 16:15)

There we have it! The total addressable market for the Gospel of the Kingdom of God is every person, everywhere, "to the end of the age!" 'Course, these Bible verses are timeless, just as relevant today as the time of Christ. So...God's total addressable market always tracks exactly with the world's population!

Now, here's one of the very most astute sentences ever recorded—words that fully integrate TAM, SAM, and SOM at once—and it came directly from the resurrected Jesus just before He ascended to heaven: "But you will receive power when the Holy Spirit has come upon you, and you will be my witnesses in Jerusalem and in all Judea and Samaria, and to the end of the earth." (Acts 1:8) Whoa, that's the very progression of the short-term win (Jerusalem)...then the realistic next focus totally within the realm of his hearers (Judea and Samaria)...then the total market for the Gospel (the end of the earth)! All that in one sentence! Yeah, in just one sentence, Jesus summarizes the framing of an expanding market structure that today's venture capitalists expect from companies they invest in: SOM, SAM, and TAM! And every believer can quote the market strategy of the Kingdom of God in Jesus's one sentence!

But that's not all! Yes, that's about *market strategy*. But the supply chain is further defined and empowered in the very first few words of that same sentence! Let's revisit those words again: "But you will receive power when the Holy Spirit has come upon you, and you will be my witnesses..." That's right, believers are an integral part of the supply chain...the actual delivery of the message of the Gospel! Paul teaches us this: "And how are they to believe in him of whom they have never heard?" (Romans 10:14b)

After Jesus's words in-person, God's Spirit specifically led the earliest believers into implementing God's biggest thinking. First, Peter profoundly received God's vision that *all Gentiles* were in the target market for salvation and eternal life (Acts 15:7-17). Talk about market expansion—from a very small percentage of the world's population to 100%! Later, Paul was limiting his ministry geographically to Asia--and being stymied by the Spirit there—when a vision appeared to him to go to a new market, Macedonia, which is modern-day Greece in Europe (Acts 16:6-10). These two Spirit-led, concrete visions exploded limited visions of the New Covenant—yes, God clearly, practically, implemented the fullest scope of the Gospel!

How about that? Whenever today's business leaders and venture capitalists analyze market and supply chain strategies using SOM, SAM, and TAM, they are mimicking God's practices—whether they know it or not! How fun is that! And it reveals just how all-encompassing God's leading and example is!

Wait, what about the Kingdom of God today? While God's strategy is clearly defined, it's still not entirely fulfilled—billions have not yet heard the Gospel! And it's our privilege to be Acts 1:8 "witnesses" today!





A&A: Application & Action

1.	What is your workplace enterprise's focus in regarding SOM, SAM, and TAM? Does it have a healthy long-term perspective that will help ensure its long-term vitality, impact, and viability Discuss.
2.	What is your local church's focus in regarding SOM, SAM, and TAM? Does it have a worldwide vision and robust participation in fruitful, soul-reaping missions? Does it have a healthy long term perspective that will help ensure its long-term vitality, impact, and viability? Discuss.
3.	By many measures, the American church is in decline—for example, numerically and, many say in spiritual impact. By reference to the Scriptures cited in this episode, identify what may be going wrong and what can be done to best honor God's strategic intent locally and internationally. Be specific.