



# Team Leader Development

## Commerciality, Identifying Markets & Barriers to Entry

### What is TAM SAM SOM?

TAM = Total Addressable Market

SAM = Serviceable Available Market

SOM = Serviceable Obtainable Market

### What Business Questions Does a TAM SAM SOM Analysis Answer?

Market size

How much can we serve?

What can we realistically capture?

What is our ICP?

What marketing strategies should we deploy?

Where are the revenue growth opportunities?

What investment might we need to increase our share?

What is our long term viability?

**EXAMPLE: Potential Customers:** Estimated at 1 million who are interested in designer sunglasses online, and the average Revenue per customer: \$500 annually. You will launch in a country with 1 million potential customers

The TAM calculation is:

$$\begin{aligned} \text{TAM} &= 1,000,000 \times \\ &\quad \$500 \\ &= \$500,000,000 \end{aligned}$$

The SAM calculation is:

$$\begin{aligned} \text{SAM} &= 1,000,000 \times 0.1 \times \$500 \\ &= \$50,000,000 \end{aligned}$$

The SOM calculation is:

$$\begin{aligned} \text{SOM} &= 1,000,000 \times 0.1 \times 0.05 \times \$500 \\ &= \$2,500,000 \end{aligned}$$