EVIDENCE-GRADE GTM INSIGHT FOR FOUNDER-LED B2B

The Sagentix Signal

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Fragmented markets reward counted evidence, not brand

The $205.6B U.S. management consulting category has 93,510 firms, and the top 50 together hold just 41% of revenue (VerticalIQ, 2026a). That is the landscape your go-to-market now operates inside.

When you pitched your last round, the TAM slide worked because the investor accepted the hand-wave. That contract is expiring. A diligence partner on the next round will pull your industry code, check your citation density, and test whether your addressable market filters survive a 20-minute phone call. Most do not. In NAICS 541611, the producer price index for consulting services fell 7.09% year-over-year in February 2026, a full calendar year of margin compression driven by fragmentation and AI-assisted productivity (U.S. Bureau of Labor Statistics, 2026; VerticalIQ, 2026a). That is a market without a gatekeeper. Positioning has to win on substance.

The sharper question is not "what is our TAM?" It is "what industry structure forces a buyer to pick us?" Market intelligence is the work of answering that question with numbered evidence, not a logo slide borrowed from a 2019 analyst report. The founders who do this work early compound the advantage with every subsequent conversation.

Bottom-up sizing starts at the NAICS code

Top-down sizing fails because it cannot be audited. A $250B industry headline multiplied by an arbitrary 1% does not survive a single diligence question, and the "1% of a huge market" framing is specifically flagged as a red flag in investor-side sizing guidance (OpenVC, 2024). Bottom-up sizing starts from a NAICS code, the federal classification that defines what your buyers actually do for a living, and builds revenue from counted establishments, counted employment, and observed price points. CB Insights' research on venture sizing found that institutional investors prefer bottom-up models because they require the founder to count actual customers, actual pricing, and actual reach (CB Insights, 2024). The number is smaller. The number is defensible. And the number exposes which SAM filters matter (geography, segment, channel) because you built them explicitly rather than assuming them. Applied to Canadian software publishing, the bottom-up build surfaces 3,300 publishers, $23.2B in revenue, and 86% average gross margins, a category that looks nothing like the "SaaS is saturated" narrative outsiders repeat (VerticalIQ, 2026).

> **DECISION RULE:**
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> If you cannot answer "which NAICS code pays you?" in one sentence, your TAM slide is not a TAM slide.

Fragmentation is the opportunity, not the obstacle

Founders read "93,510 competitors" and see a crowded market. That is the wrong read. Fragmentation is the signal that no incumbent has solved the buyer's problem at a system level, which is exactly the condition under which new categories form. Contrast two markets side by side. In worldwide security services, Deloitte holds 16.6% revenue share and has been the largest player for two consecutive years, which is dominance by any reasonable definition (Deloitte Global, 2025; Gartner, 2025). In management consulting services, no one holds that kind of share. When the top 50 firms control just 41% of a $205.6B category, the remaining $121B is served by a long tail of specialists, regional shops, and solo practitioners, most of whom lack the methodology rigor a diligence partner expects (VerticalIQ, 2026a). That is your category to claim. The move is not to out-brand the top 50. It is to own a vertical slice with evidence density nobody else can produce in the time a buyer allots.

> **DECISION RULE:**
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> Treat fragmentation as a category-formation window, not a competitive disadvantage.

Do this this week. Pull your primary NAICS code, or two if you cross segments. Match it to an industry profile with revenue-by-subsegment data from VerticalIQ or an equivalent. Rewrite your TAM slide as a counted build: establishments multiplied by average revenue multiplied by fit percentage, with the filters that convert TAM to SAM written as bullet points underneath. You will lose 60% to 80% of your headline number. You will gain a slide that survives the phone call. The market intelligence work is how you earn the right to the board seat. The TAM slide is just the visible output.

The Second Signal

Competitive intelligence beats the competitor grid

Most founders still open their competitive analysis with a feature-comparison grid. The grid has checkmarks, the checkmarks favor your product, and the grid convinces no one, least of all a diligence partner who has seen ten variants of the same format this quarter. Competitive intelligence is a different artifact. It is a description of the market's structure, the price behavior within it, and the positions that are actually open.

Consider what a structural read produces for Canadian software publishing. The category is 3,300 publishers generating $23.2B in revenue at 86% average gross margins, but 94% of those firms have fewer than 100 employees and 49% of establishments are sole practitioners with no employees at all (VerticalIQ, 2026). Feature-grid thinking produces a matrix of 3,300 rows that all look the same. Structural thinking produces a distribution: a handful of scaled platforms, thousands of sub-scale publishers, and a thin middle where productized, evidence-backed offerings can compete. The same pattern holds in management consulting, where 82% of Canadian establishments are sole practitioners and the top 50 U.S. firms control just 41% of revenue while the long tail grows faster than the incumbents (VerticalIQ, 2026a).

The positioning implication is concrete. When your competitors are thousands of sub-scale firms and a handful of dominant platforms, the move is to name the empty middle explicitly. Buyers are not asking "which vendor has more features?" They are asking "which firm has the methodology rigor to produce a defensible answer in the time I have?" The founders who win the next two years will treat competitive intelligence as a quarterly category map, not a grid, because fragmented markets move faster than analyst reports can track them (Sagentix GTM Methodology, 2026).

From the Field

Four dispatches this fortnight. Each shows the same pattern in a different slice of the market.

- **Your TAM Slide Won't Survive Due Diligence. Here's How to Fix It.** — The piece names three specific ways TAM slides die in diligence: top-down hand-waving, missing source attribution, and conflating TAM with SAM. The thesis of this issue, that fragmented markets reward evidence, depends on the reader having done the bottom-up work first. Read it before your next board pack ships with a market slide.
- **70% Sole Proprietors: The Cybersecurity GTM Opportunity Nobody Sees** — The piece documents a $20B professional services vertical split between a handful of dominant firms and thousands of sole practitioners, with a nearly empty middle. That is structural fragmentation in a form founders can act on. Read it alongside the NAICS work above.
- **5 Million Firms, Zero Dominance: What Market Fragmentation Means for Your GTM Strategy** — The blog documents the 41% top-50 share figure and the 7.09% year-over-year price compression in management consulting, then translates both into positioning choices. The lesson: specialization creates defensible positioning when no incumbent dominates. If you are deciding whether to broaden or narrow, start here.
- **Canadian B2B SaaS: The $23B+ Opportunity Window** — The piece surfaces 3,300 Canadian software publishers, $23.2B in revenue, 86% gross margins, and 54% of the industry concentrated in Ontario. The read: the narrative of Canadian tech decline is wrong, and Ontario concentration is a vulnerability, not just an advantage. Useful if your 2026 geographic expansion plan is still a draft.

Each dispatch points at the same underlying move. Count the market before you pitch it.

What We're Watching

The producer price index for management consulting services moved -7.09% year-over-year in February 2026 (U.S. Bureau of Labor Statistics, 2026). That is not noise. Consulting prices compressing for a full calendar year, alongside AI-driven productivity in the sector, means the margin structure of every professional services firm, including yours if you sell advisory-adjacent software, is being repriced in real time. Gartner still forecasts global information security spending to grow 15% in 2025, which tells you capital is flowing toward product categories and away from hourly labor (Gartner, 2024). The read for B2B SaaS: buyers are trading headcount for tooling, and the vendors who prove outcomes in counted terms will capture the shift.

Over the next 14 days I am watching two signals. First, whether Q1 earnings from public consulting firms confirm the price-compression narrative. Second, whether venture deal value in fragmented services categories continues to favor evidence-backed specialists over generalist platforms. Both shape how founders should structure their 2026 GTM updates.

Work With Us

If you are closing Q2 planning and your TAM slide is a figure pulled from a 2019 analyst report, there is a cleaner path. Phase 1 Market Intelligence is a 5–7 day engagement at CA$4,000–CA$5,000 (midpoint CA$4,500) that produces a NAICS-coded, bottom-up TAM/SAM/SOM build your board and your next investor can both defend. If the evidence does not hold up to diligence, we refund in full.

> Reply "Phase 1" to this email, or book at sagentix.ca/contact.

— Stephane Raby CMC · CISSP · P.Eng. · 25+ Years · Executive MBA

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