

New Markets, New Territories

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Organizational Behavior

- Entrepreneurs are a unique challenge!
- You work for “visionaries”
- The challenge: Understanding the assumptions behind the business plan, identifying the motives behind the “new markets” discussion

What's Driving The Discussion?

Issues that may be driving the new markets discussion...

- Suspicion of weak competition / No competition
- New innovation will drive interest, positioning
- Extensive portfolio may displace competition
- Assumed audience interest in “the new new thing” – Ease of entry
- Greener pasture elsewhere thinking
- Internally – who is the champion of this idea?

When Engaging Decision Makers

- **Take this assignment very seriously.** *Come with a plan of attack, very prepared .*
- **Understand – There's a lot at risk.** *For you professionally and the company...*
- **This is a true opportunity to shine.** *Demonstrate your abilities to contribute at the highest executive level if you engage properly.*

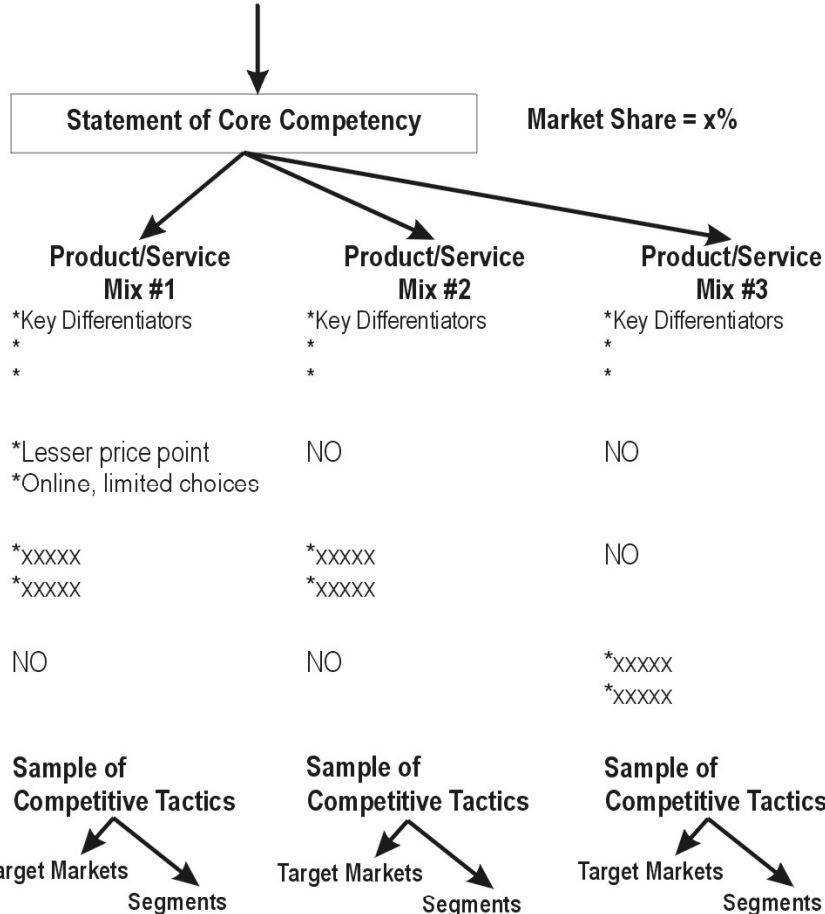
Where to Start?

You need to identify core assumptions behind the business plan. Meet to clarify:

- Identify the current vs. future state of the product and service mix- Profitable, Proficient, Passionate
- Ranking of Primary and Secondary Markets
- Identify direct and indirect competitors
- Identify key industry, economic, government, technology trends / conditions
- Identify experts- specific issues to confirm
- Understand the true sales cycle

THE MARKETSMARTZ™ MATRIX

Total Market = x%



Bottom Line

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With x% more investment money, we would own x% more market share or be able to make technology or operational improvements to make us more leveraged against our primary competitors.

Overwhelmed?

- Most professionals would be... Most people dread research.
- There's too much information out there (TMI!)
- Your feelings are valid, so how can we dramatically simplify what to most is a complex challenge?
- Understand the difference, data v. intelligence

Primary and Secondary Research

- **Primary** – Comes from a primary source, actual interviews and focus groups, tends to collect subjective information.
- **Secondary**- Consists of facts or data from a secondary source. Is information from a periodical, statistic or fact. Best source is online or the library.

Why Do Primary Research?

- Assumption- It's too expensive,
✓ **Fact.** It's not. *It's just time consuming.*

To do a market assessment, you need credible current evidence.

- Need to interview potential customers, experts and key competitors.

How to ethically engage?

Key Questions for Potential Customers

- Pricing- Definition of value in relation to price
- Value Proposition- Do they really need, want, will pay for what you offer
- Different/ Better than current supplier?
- What events will make them engage your firm? Willingness to explore options? Loyalty?
- Where do they expect to find information about your firm? Advertising? Associations?

Interviewing Experts

Where to find experts?

- Associations
- Magazine, newspapers, blogs
- Round table participants, R&D Departments
- Leaders of online chat forums
- Association newsletters, industry periodicals
- Ask your boss who they read, online sources

Key Competitor Interviews

- Hit their website, pull advertising samples, collateral
- Request marketing materials be sent
- Call SMPS contacts in the region/ area – ask key questions to get information
- Don't hesitate to hire someone to call directly in the “sales department” - refer to them as experts

Use Mirror Market Information

- Call into companies in “mirror markets”
- Omaha & KC are mirror markets, very similar demographic composition
- If it will fly in Omaha it will usually work here
- Call into market to determine competitive landscape, promotional strategies, saturation, price sensitivity

When sorting through the avalanche of research...

Review for:

- Timeliness
- Source of information, is it credible?
- Direct relevancy to industry- Less is more
- Number of times the quote/stat is spotted
- Other companies that are doing what you are trying to achieve...Direct and indirect competitors

The Competition

- Differentiation- What makes them special?
- Marketing message
- Target markets, level of market penetration
- Market saturation- Too many competitors? No competitors? (Just as scary)
- Niche specialization- Better, faster or cheaper. Who is innovating?

Applying What you Learn

Key Considerations

- Situational assessment- state of the industry, most significant issues in the territory/ region
- Summary of research- Key regional trends, most threatening competitors- why?
- Conclusions must include: Source of information to support conclusion, what key competitors are NOT doing, profile of profitable customers, willingness to change vendors- messages they respond to

Summarizing the Market Opportunity / Risk

- What message do the target markets respond to? How can you test your assumption?
- How can you uniquely position your firm to avoid being a “me too” player?
- How do customers prefer to be marketed to? What is the anticipated sales cycle?
- What will it take in terms of a budget to obtain a customer? Drive brand awareness, get started?

Marketing, The Sales Cycle & Profitability

- **Really understand** the operational assumptions behind cost of marketing, business development – the projected sales cycle and profitability
- **Connect the dots.** Don't be afraid to approach a peer in your firm in accounting or operations- accept you won't have all the answers.
- **Reach out.** Call into a non-competitive firm that is similar and ask them about their annual budget

Getting To GO...How to Achieve Buy In

- Organize your 12 month plan – overlay with association events, key promotions, direct mail drops, email marketing campaigns, PR efforts- productivity milestones
- Get your budget detailed- Identify the “cost of entry” – maintenance – revenue projections
- Get business development focused and accountable – Top 10 companies / 25 names
- Really drive the questions relating to operations & accounting- engage with the big picture

With Advertising & Promotions

- Really launch a grand opening- don't blow it
- Press releases out, signage up!
- Pick a charity
- Get your ground force of sales efforts focused
- Make the advertising memorable- Push the creative, get out of "safe" committee thinking
- Strategically find a corporate partner to show you around, co-sponsor an event

Thank you!

Please feel free to contact me with any questions or concerns as we've covered a lot of territory.

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