

## Value Genesis: Market Opportunity Scan Discovers Consumer Innovation Opportunities

**Client:** *Leading consumer durables manufacturer*

**Challenge:** Working with the new Chief Technology Officer, the mission was to assist in the development of a multi-year product plan. The client wanted to boost its modest and unexciting growth by introducing some innovative new products using in-house developments and/or available technology. Past plans had yielded spotty or mixed results and the process had been disappointing. ***You want growth from innovative products. Even if you think you have the technology, you need a successful plan to maximize your return.***

**Diagnosis:** At first glance the project appeared to be an appropriate use of the “Value Genesis” Product Planning Framework. This strategy alignment toolset provides a roadmap to achieve market objectives that are well defined and based on solid, accurate data. However, preliminary strategy meetings with the client revealed some contradictions in the interpretation of their copious, excellent market data. It was then decided that a Market Opportunity Scan (MOS) (see inset) would be a more appropriate toolset to provide a much better profile of the critical success factors of competitive environment, market dynamics, and user needs prior to developing a product plan. ***You really have to understand the market landscape thoroughly before you start investing in innovation.***

**Methodology:** MOS is a powerful set of tools whose first group of modules provides a framework to capture a snapshot of “what’s really going on here”. Because things are constantly changing, a fair degree of skepticism is recommended when revisiting market assumptions. Historically, there were two distinct markets: disposable and reusable each with their own dynamics and fixed buying habits. Analysis of the data showed that the disposable version of the product should now be viewed as being in the same market as the client’s reusable offering. Over time, through a series of innovations and effective marketing, the disposables had gradually changed user behavior and gained sales at the expense of the reusables. Enhanced performance products in the ignored disposable

sector were now enjoying the largest growth in both categories. Because disposables weren’t being measured and were also affecting the other reusable manufacturers’ sales, the market share information raised no alarms and “fair share” data continued to read positive. The customer satisfaction data for both product groups was pivotal on the same performance points; one of which was very closely linked to overall satisfaction and the decision to repurchase. The client had been spending substantial marketing dollars to secure new users but losing repeat business because of poor product performance relative to disposables. The composite information had created a distorted picture of modest growth and doing OK.

The new “one market” reality was the breakthrough for better understanding the actual dynamic and how success should be measured. More importantly it framed what the performance characteristics of the strategic products should look like in the final innovation modules of the Market Opportunity Scan. ***Because the basic market assumptions were myopic our past plans were fatally flawed.***

**Results:** The market was now accurately defined and performance characteristics of an innovative product captured. The best news was that most of the enabling technology had already been developed in-house. Now the only piece that was missing was an economical way to integrate the enhancements into the production process. The solution lay in the innovation modules, which deal with managing and sourcing new and existing technologies. (All the toolsets are modular and the right combination or sequence can be tailored to fit the situation.) Using that platform a manufacturing process solution was identified, secured by a licensing agreement and incorporated into production. The resulting innovative product line exceeded all expectations in capturing increased market share from both disposable and reusable competition. Strategic innovation was accomplished and the company was left with the skills to replicate the results.

***All of the market data and most of the technologies were there. Added were the right instruments and the ability to view the picture with a “fresh set of eyes”.***

