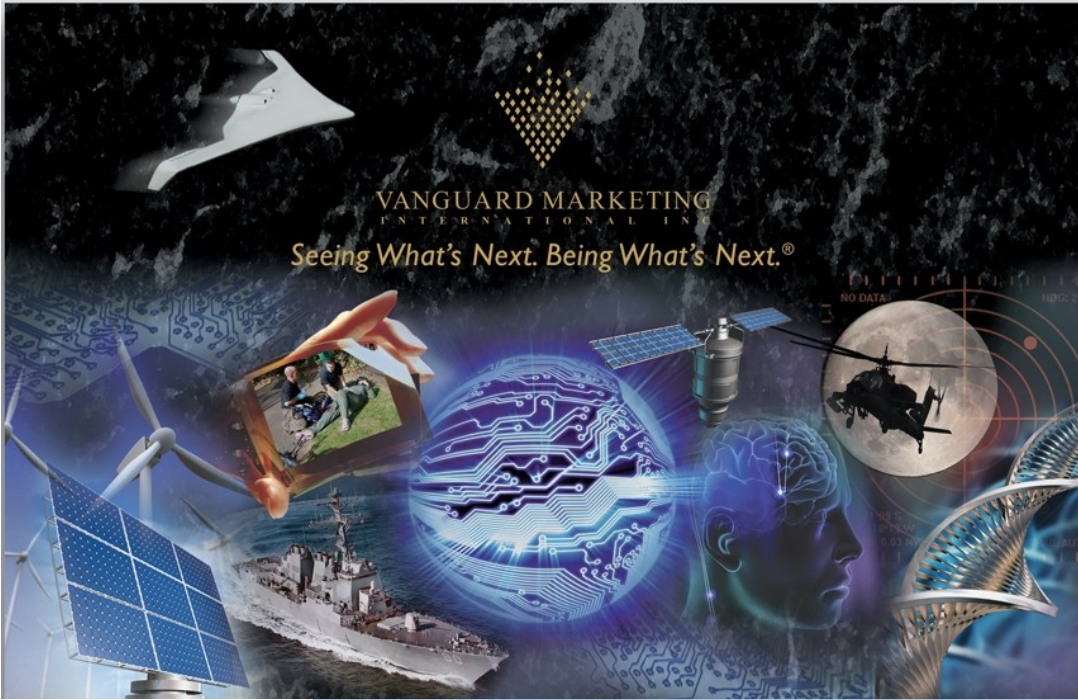




# IPM<sup>®</sup> New Market Exploration



By Vanguard Marketing International, Inc.



### *The Challenge:*

Many markets may have a need for our innovation, but where do we start?

### *What VMI does:*

We utilize our cross-industry, multidisciplinary expertise to explore a full gamut of potential opportunities, screening and prioritizing them against your business goals and objectives.

#### Innovation Process Marketing, IPM®



*The IPM New Market Exploration process seeks to find markets with a current or developing need for your technology innovation or solution. It is a fast, efficient, focused process.*

The **exploration** process begins with an internal business review and project framing exercise, where the company goals and boundaries are identified, and the characteristics

and reason-for-being of the innovation are expressed. Once documented, these become key elements of the qualification profile from which we explore and evaluate markets.

Next, a wide variety of industries are reviewed to identify if there is a current or developing need for the innovation. The determining factors are market trends, issues, propensity to innovate, and resulting need. If all things appear favorable within the market, the screening process then briefly reviews the category of offerings currently serving the market.

This iterative process takes various specific and individual factors into consideration but in general, if the market has the right attributes, is trending in the right direction, and the category serving it does not satisfactorily address the needs of the market, we recommend it as a candidate for the next stage: **market validation**. Those discarded are noted and their reasons for exception are documented.

### *VMI Results:*

The result of market exploration is a profile of those markets that successfully map against the company's criteria, prioritized by what we believe as their market potential. Those that do not meet the requirements are reviewed with the client's team. Based on our recommendations, the client down-selects to one or two markets for the next IPM stage, **market validation**, where we conduct extensive primary research with top opinion leaders within the selected markets.

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# New Market Exploration Projected Timeline



Typically, there are 50 to 75 markets and categories reviewed resulting in 3 to 5 opportunities for the validation stage

Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	
Internal Business Review		Market Exploration				Assessment & Reporting	

### Activities:

- Establish with client exploration screening criteria based on the business review
- Create industry, market and category qualification instruments
- Establish research strategy
- Begin library and Internet secondary research
- Leverage existing VMI networks for ideas
- Review approach with team
- Capture all industries that have a current or developing need for the innovation
- Examine trends and issues by industry to see if the need is growing in importance
- Break industry into component markets to see if/where the market has a substantial need for the innovation
- Examine market against qualification requirements including basic growth data
- Examine category-supplying solutions to the market today in order to understand if current suppliers are achieving the types of revenue and profit goals we are seeking
- Document each of the above within the context of qualification criteria-eliminating any that do not match
- Periodically review findings with team; re-exam and re-adjust qualification criteria if necessary
- Complete research, finalize market candidates
- Develop final recommendations
- Present Findings to team





## Market Exploration

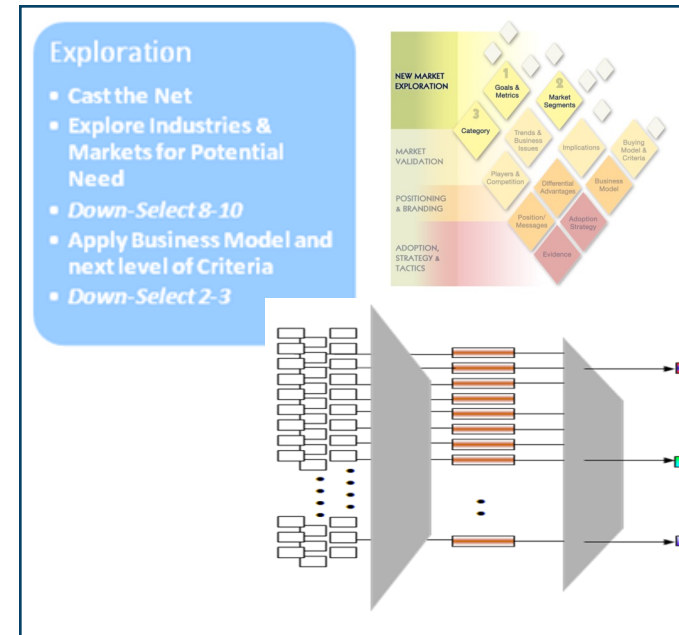
We start by defining your market qualification profile. Goals and guidelines may include:

- The selected markets must be developing and offer high growth potential with low barriers to entry to the company
- There must be an opportunity which could lead and shape the market
- Some synergy must exist with the current business
- The market must be capable of supporting specific revenue and profit contribution targets
- There must be a strong unmet need that lends itself to the core characteristics of the innovation

To determine the key qualifiers of the innovation that *could be* valued by the markets, we need to understand more about the current products and/or services characteristics, such as:

- What problems does the innovation solve in its current markets?
- Who were/are the early buyers and why did they buy?
- What impact has the innovation had on the market?
- What is the full solution (whole product) offered?
- Why is it believed the innovation will be successful in other markets?
- What is the strongest competitor of the innovation and what are its differential advantages?
- What is the key differential advantage, strengths and weaknesses of the innovation in its current markets?
- What new competition is on the horizon?

- Who is the best customer for the innovation? Why?
- Who is the worst customer for the innovation? Why?
- What were the original revenue and profit goals for the innovation and at what point was it able to achieve them?
- Has the company launched innovations into new markets in the past? What were the results?
- How were the markets selected?



Once the top markets are down-selected, we can proceed to the next set of IPM "Diamonds" which will enable us to validate your innovation's opportunities in these selected markets. Please refer to VMI's IPM Market Validation white paper.