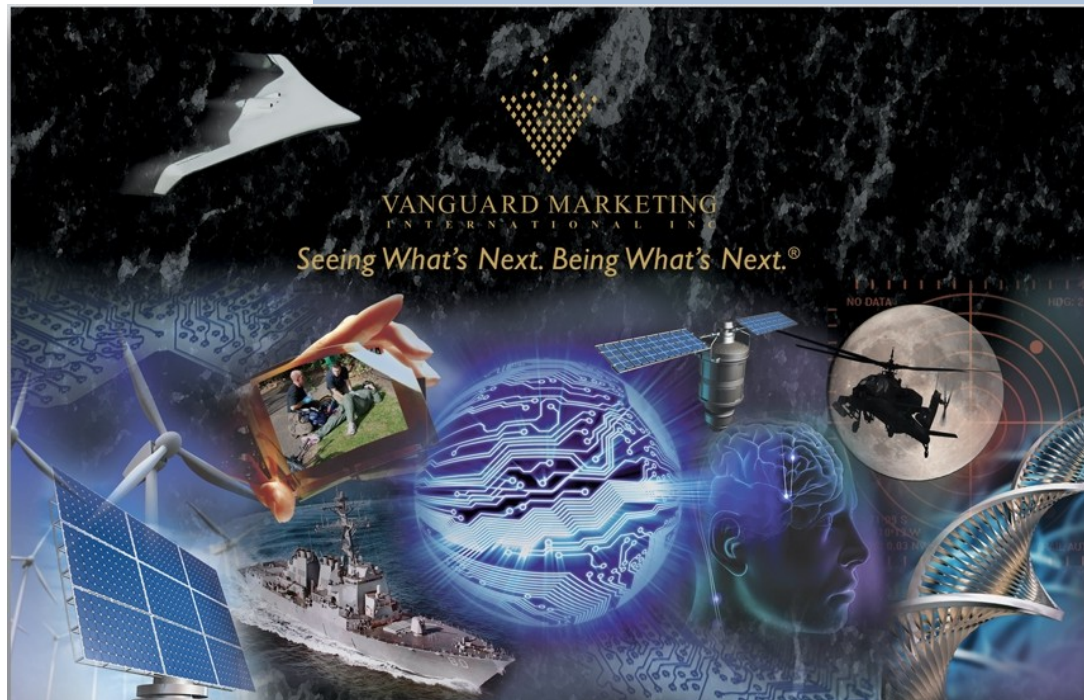




IPM[®] Market Validation



By Vanguard Marketing International, Inc.

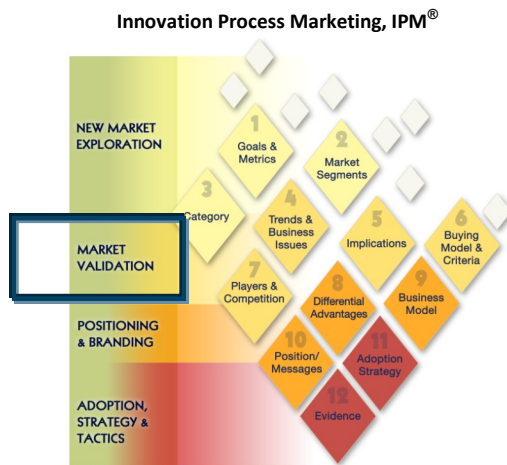


The Challenge:

While our current markets have changed, I also know of new markets that have a general interest in our innovation. I need to find out which are the most viable opportunities so that we can achieve sustainable revenue growth and I can make my numbers.

What VMI does:

We build and/or revitalize your product and market strategies based upon the future...not the past, by providing you insights into new markets and industry trends, and by uncovering how prospective customers plan to respond to change. We also investigate each segment's unmet needs and determine how your company's solution may be valued over the competition.



The IPM Market Validation process is based on the idea that once an opportunity appears to be worthwhile, it needs to be thoroughly examined firsthand before making a substantial commitment to pursue or make further investments in it. After secondary research, we begin this process

by identifying and discussing insightful perspectives with well respected, Ithought leaders from various positions of influence. These include people who will write out a check for the products or services, people who will apply influence on the decision maker, as well as the people who will do everything possible to block your success, should you decide to enter the market.

After gathering and cross-checking the insights and perspectives from opinion leaders across a wide breadth of the market, including top prospect and competitor perspectives, the project then swings to the analysis-mode. Products and services are assessed and scored in a *market performance index*, based on how well they match the opinion leaders' perspectives on unmet needs, solutions available, preferred methods of and criteria for buying. Leading individuals are also asked if we may contact them in the future as potential advisors, advocates, and/or customers.

VMI Results:

The result of **market validation** are recommendations as to where and how best to expand your programs and solutions in order to get the most from them in the marketplace. Recommendations are based on competitive factors, perceived value by the market, company goals, and objectives. After considering our recommendations, you may decide to progress to the next IPM stage, **positioning and branding**, where we build your position and brand based upon differential advantages. These advantages are identified in our index, rating of how your company scores against competitors based on the markets perceptions and buying criteria.

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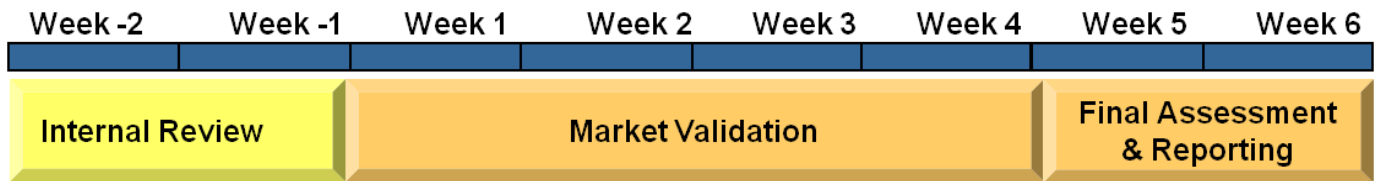


Market Validation Projected Timeline

↓ Start here, if after New Market Exploration



Typically, we contact 150 or more decision makers, influencers and competitors in the market- resulting in 20 to 30 in-depth interviews



Activities:

Internal business review

- Define project goals and how the results are to be used
- Compile an initial list of opinion leaders
- Prepare for primary research
- Begin conducting more extensive secondary research

External business review

- Conduct field sales / business development and engineering / product development interviews
- Conduct and capture external interviews
- Periodically review findings with team
- Confirm initial results against expectations
- Validate unmet needs
- Document competitor business models
- Build market buying criteria index
- Compile competitive SWOT matrices against the market view of each competitor

Review and present findings

- Create report with full analysis on each market with recommendations
- Present and review with team
- Select go-forward markets and/or strategies





Market Validation

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What you may need to know to make informed decisions...

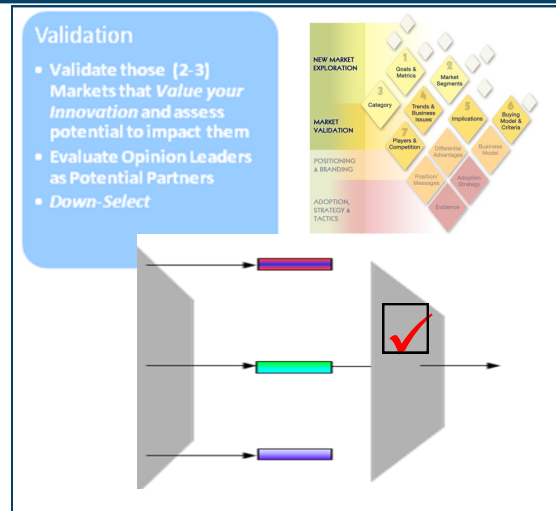
- Who are the top opinion leaders in the market
- The companies and individuals that are viewed as leaders in providing competitive solutions
- The most important trends and issues developing in the market as viewed by both the market buyer as well as the market supplier (competitor)
- The critical unmet needs resulting from these trends
- The latest buying criteria for selecting a solution
- Your **market performance index** that includes strengths, weaknesses, and perceived value propositions offered by the top suppliers by market participants
- What a 'great' solution looks like
- How much value the market sees in your innovation

And from the Competitor perspective:

- What they see as the biggest unmet need in the market
- What they are doing about it
- What they see as their differential advantage and how they score other competitors

"The trend is the observable result of conditions impressed upon a market. The questions then become: What are the obvious forces at work, why are they being applied, at what rate are they being applied, and what are the likely critical unmet needs to develop as a result of the trend."

Jack Byers, CEO, Vanguard Marketing International, Inc.



Once the top markets have been validate, we can proceed to the next set of IPM "Diamonds" which will enable us to position your innovation against incumbent players in a selected market. Please refer to VMI's IPM Positioning and Branding white paper.