



# Strategy on a Shoestring SVPMA Presentation

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# High Tech Hope

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*If you build it ... they will come.*

*Field of Dreams*

***Maybe works for baseball,  
but not for high tech companies !***

# Typical Situation

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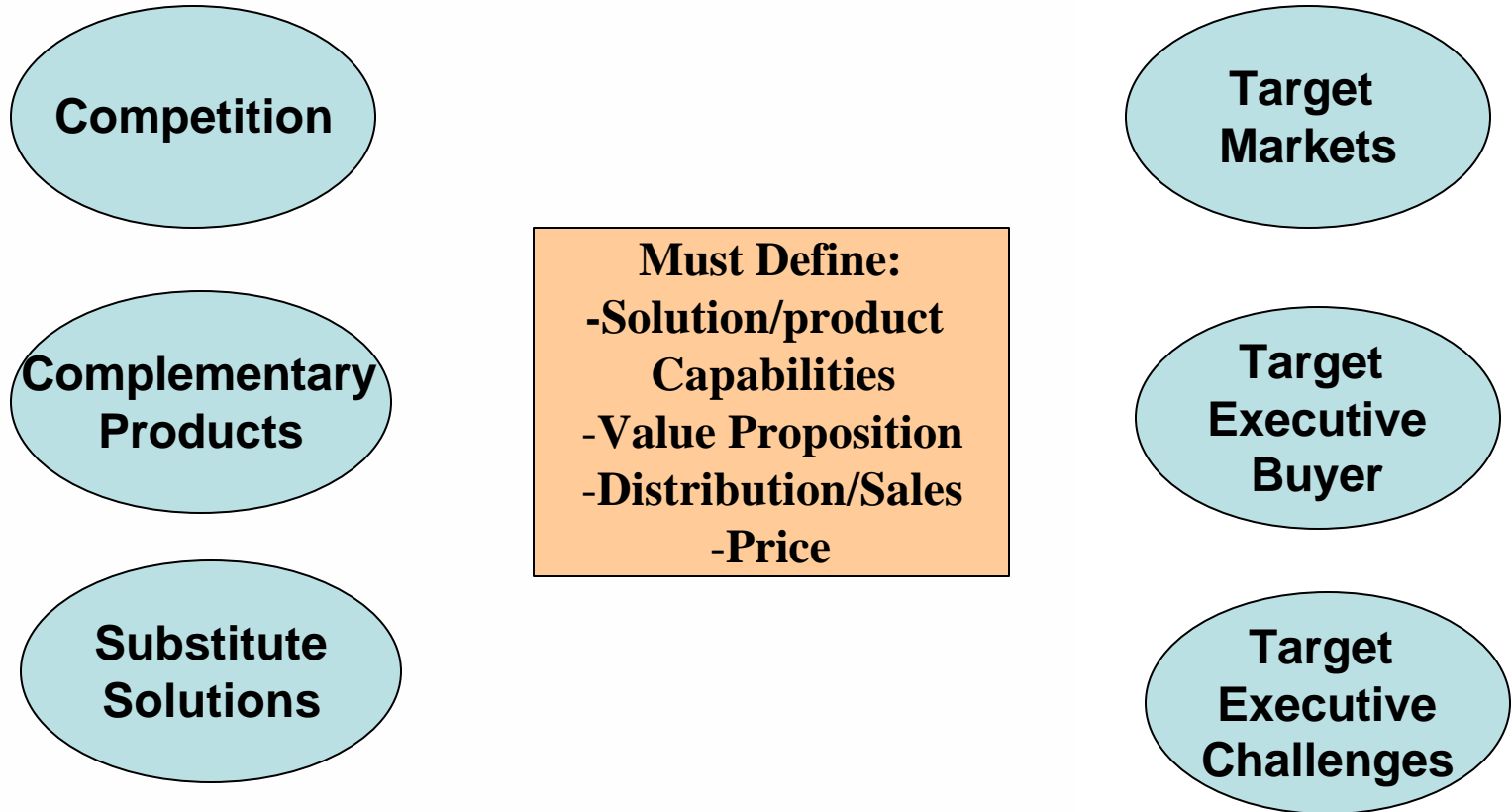
- B-to-B high technology company
  - Good technology base
  - Dedicated engineering team
  - A single identified market segment/solution set
  - Solution/product could be needed by lots of companies
  
- However
  - Severe constraints on \$, time, and resources
  - Uncertain about identified market size, specific executive targets
  - Plethora of choices, lack of management & engineering focus
  
- Challenge
  - What is the most effective way to define and focus on a product and business strategy?

# Joe's Supply Chain Software (BSCS)

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- Joe runs a successful, growing enterprise software company
  - Domain experts, technical depth, strong management team, top tier VC funding
- They have been in business for 2 years and have 6 brand name high tech customers
- Joe wants to sell to other vertical industries, but is not sure of the best target and what product changes would be required by another industry
- He wants some help ...

# Unknown Market/Customer Landscape



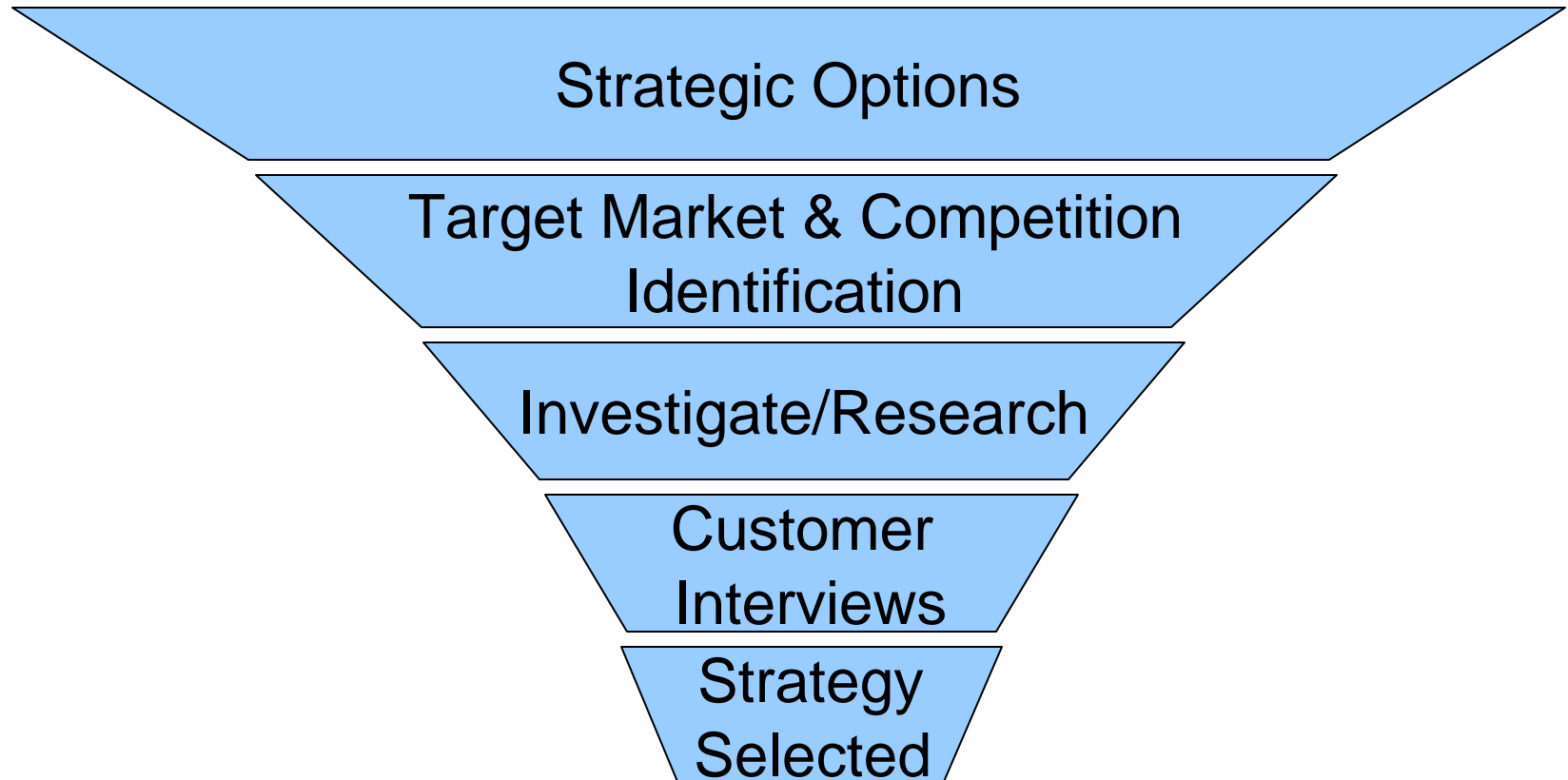
# 5-Step Strategy Development

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1. Identify strategic options
2. Define target market characteristics & competition
3. Investigate/research target markets & competition
4. Target customer interviews
5. Develop strategy recommendation

# Strategy Investigation Funnel™

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Marketing Requirement Document (MRD) Created

# Getting Started: Decision Making Criteria

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- Define the criteria against which strategy options will be evaluated
  - Market size
  - High customer pain
  - Immediate customer need
  - Customer allocated IT budget
  - Clear problem owner/executive
  - Competitive advantage
  - Strategic initiative for customers
  - “Fit” with current product line
  - Etc.



# Step 1: Identify Strategic Options

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## Identify strategy options

- **Solution/product**
  - High level feature definition
- **Target markets/vertical/company size**
  - Target executives

# Step 1: Brainstorm Strategy Options

		Target Markets			
Strategy Option	Solution/Product Area	A	B	C	D
X					
Y					
Z					

No more than 4 – 8 strategic options should be evaluated further. Use decision making criteria to prioritize options, based upon what is already known within the company.

# Step 2: Define Target Markets & Competition

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Further define target markets for each strategic option

- Market size & growth (if known)
- Company business model
- Company size
- Verticals
- Target executive
- Executive pain point
- Value to target market of solving pain point

Identify possible competition for each strategy option

- Define competitors and competitor products
- Identify substitute offerings
- In-house developed solutions

# Step 3: Investigate/Research Markets & Competition

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- Quantify target market size & growth rates
  - Hoovers
  - Industry analysts' reports & conversations
  - Financial analysts' reports
  - US government commerce department site
- Identify number of target companies
  - One Source
  - Hoovers
- Learn market/industry characteristics
  - Review major companies' 10K filings with SEC
  - Industry associations
  - Industry expert conversations
- Conduct competitive analysis
  - Web research
  - Conversations with past employees of competitors
    - Product features, technology
    - History
    - Customer base
    - Pricing
    - Business model
    - Partnerships/channel

# Step 3: Investigate/Research Markets & Competition

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- Sources of information
  - Internet research
    - Competitors
    - Analysts (i.e. Gartner, IDC, Forrester, others relevant to segment)
      - Many require subscriptions
    - Industry Associations
    - [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml) (SEC filings)
  - [www.hoovers.com](http://www.hoovers.com) (some info requires subscription)
  - [www.onesource.com](http://www.onesource.com) (requires subscription)
  - [www.marketresearch.com](http://www.marketresearch.com)
    - Aggregator of market research studies from analysts/other sources
  - Business School libraries
    - Stanford Business School
      - Some resources open to all, some only to alums/students
    - Santa Clara University
      - Resources open to all
    - Haas School of Business (UC Berkeley)
  - Leverage experts in personal networks
  - Attend industry events (networking, seminars)

# Step 4: Target Customer Interviews

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## Target customer interviews

- In person/web conference 1 hour meetings
- At least 5 – 10 interviews per target market/solution
- Identify target executive
- Establish meetings
  - Use contacts, friends, board/lawyers, vendors
  - Leverage current customer relationships
  - Cold calling to establish interviews
- NOT a sales call – focus on market research to gather information
- Develop discussion guide to cover key questions

# Step 4: Target Customer Interviews

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## Interview discussion guide

- Focus on validation/discussion: 80/20 rule
  - 80% listening/20% talking/asking questions of interview target
- Topic areas
  - BRIEF description about your company's focus area
  - Business model/company dynamics
  - Problem areas/pains/cost & impact of pains
  - Identification of executive responsible for problem area
  - Currently employed solutions/approaches
  - Other solutions available in market
  - HIGH level capabilities requirements/prioritization of possible solutions approaches

# Step 5: Develop Strategy Recommendation

## Develop Strategy Recommendation

- Strategy = solution & target market(s) combination
- Rank learnings from the whole process against decision making criteria
- Rank High/Medium/Low
- Convert scores to a 3/2/1 point scale and average

Strategic Option	Decision Making Criteria				Ranked Score
	1	2	3	4	
X					
Y					
Z					

- Identify pros/cons/risks with each strategy researched
- Prioritize strategies investigated



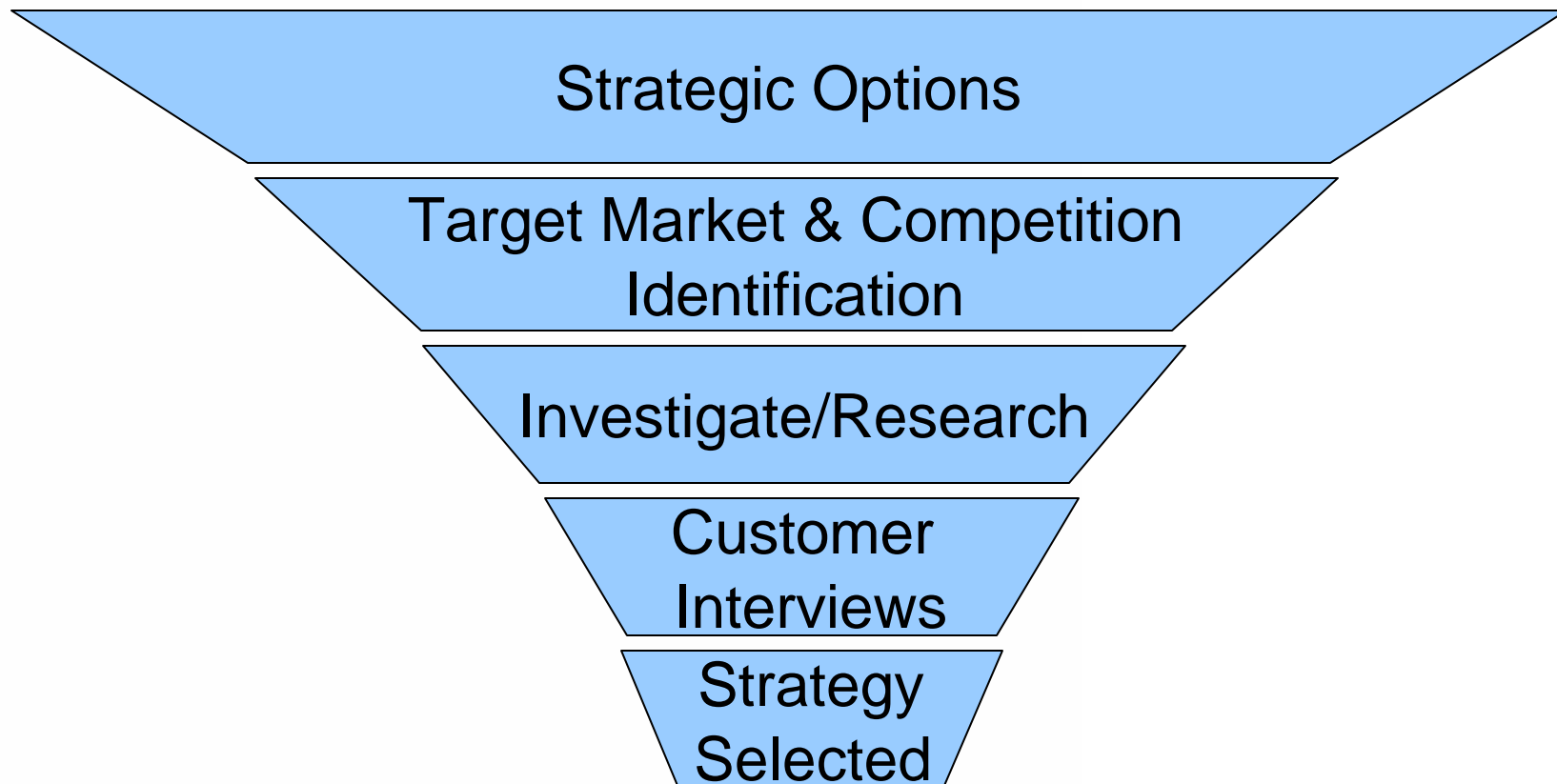
# Step 5: Develop Strategy Recommendation

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## Define Recommended Strategy

- Solution capabilities/features
- Solution value proposition/benefit to customers
- Target market & target executive
- Competition
- Competitive advantage
- Price
- Distribution/Sales Channels
  
- Document strategy in an MRD (Marketing Requirements Document)
  
- Can expand into a complete business case – with revenues, development & other costs over product lifecycle

# Strategy Investigation Funnel™



Marketing Requirement Document (MRD) Created

# Key Take-Aways

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- Strategy development is a ***mandatory investment***
  - Clarity of product needs/customer needs/competition
  - Accelerates market traction
  - Initiates customer sales cycles
- Strategy process ***should*** leverage existing internal knowledge
  - No need to start with a blank slate
- Strategy can be developed in a 1 to 3 month time frame
- You can do it with scarce \$, time and resources!

# Contact Information

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**Stage 4 Solutions focuses on providing the following product marketing services to high technology companies:**

- Business/product strategy development**
- Sales tool development**
- New product introductions**
- Competitive analysis**
- Interim marketing staffing**