

THE MARKET DEVELOPMENT STRATEGY

VIDEO TRANSCRIPT

Hi. I'm Scott Regan, the founder and chief execution officer of Achieveit, and today we are going to talk about the fundamentals of developing a good market development strategy.

A market development strategy is really a small strategic plan designed to help companies move new products into the marketplace, expand their existing reach, or expand the use of their current products to do new things. There are three different areas we talk about when discussing market development strategy.

- Geography: We want to expand our footprint by expanding our product into new markets where we currently don't exist.
- Customer Base: We want to expand the customer base; maybe right now we are focused on middle-aged adults, or seniors, or kids, or teenagers, but we want to move into a new customer segment to expand the sales of our current offerings.
- Products: This includes both new and existing products. How do we take our existing products and do things with them that push them to other customer bases or geographic segments. How do we identify what are the customer needs, and use that knowledge to make new products or services that we can then bring to market?

Regardless of what kind of organization or company you have, you will generally deal with these three spheres of influence.

For example, if you are hospital, your geographic strategy may be around the placement of clinics in secondary and tertiary markets. Expanding your customer base may include an expansion into pediatrics; maybe you have never really treated pediatrics

and now you are going to open a whole pediatric unit. In terms of new products, perhaps you are not doing cardiovascular medicine, and you are going to start an open heart program to drive cardiovascular medicine into your organization.

If you are a bank, we can use this same model. Geography may be around the location of branches, our customer base includes people needing mortgage financing, which will enable us to expand to customers who want to become homeowners. Additionally, we may have investment products we want to bring to the marketplace to help grow the organization.

Another example: If you are a cereal manufacturer, you have to deal with distribution issues around geography. Your customer base is largely about product positioning; perhaps we need to offer healthy cereal alternatives to attract a new customer segment or create an organic version of our products.

Regardless of what industry you are in, there is one common denominator among all industries. Everything I just described was a measurable objective. Looking at growth in the secondary or tertiary markets, increasing the number of mortgages that we are writing, or increasing product distribution through our cereal company – those are all measurable. They are all objectives we can actually put numbers on that provide us with a baseline and a target.

The key to a market development strategy is the understanding of the current baseline performance vs. what we want our future performance to be, and then coming up with the strategy to move from A to B. The strategy revolves around geography, customer base, and the products.

A market development strategy really is a mini strategic plan because it has all the same elements: goals, objectives, strategies, and tactics. We assign tactics to people in our organization, we hold people accountable, and we drive as fast and hard as we can.

If you do these things, you will find your market development strategy moves a little bit smoother and a little bit faster.

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