

Turning Ideas into Profits

Have you ever seen promising-looking business ideas get stuck, going nowhere, despite a great deal of sweat and effort? Business people with credible business ideas can struggle with how to actually make them work in practice. Here is my approach to doing just that. There are four key stages.

Stage	Actions	Outputs
 Clarify the idea	Elucidate the 'inspiring vision' for going forward: <ul style="list-style-type: none"> • How does it create customer value? • Who will buy it? • What makes it competitive? • Do we have what it takes to deliver? 	<ul style="list-style-type: none"> • A 50-word 'elevator pitch' • A two page outline business case
 Assess the choices	Examine markets to choose where to compete: <ul style="list-style-type: none"> • What the various customer segments want. • Which products, services, geography, sectors, customers vs. competitor capabilities. • Make the choices with a decision matrix. 	<ul style="list-style-type: none"> • Detailed market research • Competitive choices with rationale: growth, margin, competition, investment, implementation difficulty.
 Develop the Value Proposition	Develop and elucidate the compelling reason why people will buy from you over others: <ul style="list-style-type: none"> • <i>Choose</i> whether to be: low price, high quality, fast, dependable etc. (you can't do all!) • <i>Choose</i> your business model to deliver this. 	Express in measurable terms: <ul style="list-style-type: none"> • The compelling reason for customers to buy • Organisation & delivery implications
 Create the Marketing Plan	Prepare the marketing plan (to ensure it sells): <ul style="list-style-type: none"> • The key messages (use professionals if poss.) • How to position the customer offer: Promotion, Price, Product, Place • How it will be sold 	Express in measurable terms: <ul style="list-style-type: none"> • The messaging • The customer offer • The sales plan • The financials

1. Clarify the idea

The first step to ensuring that an idea flies, is to make sure that it actually *is* a great idea. You need to spend the time to define it, test it, kick it, debate it, until you have an inspiring vision of what you believe can really work. How does it create customer value? Who will buy it? What makes it competitive? Do we have what it takes to deliver?

Don't rush this aspect. It doesn't need a lot of analysis, but it does need of debate and discussion, both internally and externally. Summarise the idea in a compelling 'elevator pitch' and on a couple of sides of A4, then test them with competent others who haven't been part of the process.

2. Assess the choices

The next thing is to undertake a thorough assessment of the potential choices that you have in taking the idea forward, so that you make the ones most likely to be successful. Make these choices based on what the potential

groups of customers want compared to the strength of the competition and relative attractiveness (ROCE, margin, size, growth, risk) of the markets considered.

This usually means talking to potential customers, suppliers, competitors as well as desk study, market research and competitor analysis. Ask yourself about the following:

- Which products and services should be pursued, with what particular characteristics?
- Which sectors and segments are most attractive?
- What geography makes most sense?
- Which customers will be most important?
- What will/ won't you do?

Once you have gathered all the data and research, put it into a comparison matrix, with a line for each of the options, and the summary data on the most relevant choice factors such as market growth, margin, investment returns, implementation difficulty, and crucially, the relative strength of existing competitors in the market.

3. Develop the Value Proposition

Developing robust clarity on the compelling reason for customers to buy from you over others (the 'Value Proposition'), will really help to focus attention on the approach for getting traction on delivering growth.

On the basis of the research, you need to proactively *choose* what you believe will set the business apart, and what it is that customers are actually buying when they go with you. Is it speed of delivery, quality, price?

Why do this? It is because you can't do everything well. If you don't make your choices and try to focus on everything, you will probably end up in the middle, like everyone else.

You also need to *choose* how that Value Proposition will be supported through the business, ie how the value is to be delivered to customers (some call it the Value Delivery System for this very reason). Is it relationship management, technology, processes etc? Again, you need to focus because you can't do everything well.

4. Create the Marketing Plan

Good marketing plans deliver results because they focus attention on what needs to be done for success. The marketing plan clearly sets out the measurable claims that will be provided to the chosen customers - what they

will get and why, and how these will be delivered, including:

- Market messaging that clearly sets out what is on offer (get some outside, professional marketing help for that, if you haven't got it internally).
- How the key messages will be communicated: via sales, PR, social media, promotions etc with budget and resources.
- The marketing mix (Product, Price, Promotion, Place) which is the set of choices that defines the firm's offer to its' target market.
- The delivery plan (how the organisation will follow through), including people, processes, and how progress will be measured.

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