

Growth Matters

The world is an ever changing place.
No strategy is good forever.

When was the last time you assessed whether or not your strategy was aligned with major trends that shift markets?

Your growth is maximized when you are aligned with trends driving customer behavior. When you assess your strategy's fit with market trends you can set a course for faster, higher growth by letting trends guide your decision making.

**Why do
strategy assessments
matter to your business?**



Adam Hartung is a global expert on using trends for external strategy assessments

CASE STUDY

Identifying Trend Threats to Veterinary Pharmaceuticals

A veterinary pharmaceutical company was evaluating its strategy as a supplier to beef, poultry and pork producers. The company's strategy process had worked well in the past when industry changes were few. Marketing predicted demand for animals, then sales predicted how much they would sell and operations implemented manufacturing.

However, leadership saw three trends emerging, which might affect their markets:

1. *Plant-based proteins seemed to be in greater demand*
2. *A shift in other markets to alternative disease prevention products*
3. *Healthier eating and a decline in meat protein demand*

Trend one and two were potential disruptions that seemed small and inconsequential for the foreseeable future. The third is actually a group of trends toward better lifestyles and healthier eating, as well as ecological improvement. These might someday lead to a decline in meat protein demand, however they are difficult to quantify. Overall, it was unclear what was a trend, versus a fad, and whether any of these would have a significant impact on demand during the planning horizon.

(continued)



CASE STUDY: Using Trends to Create Growth for a Small Business (continued)

The CEO was unsure if his long-range plan needed to change, or if there was any threat to the company's business model:

- Was an expectation of declines in meat consumption affecting sales? How large and how fast?
- Should the company form a joint venture to explore growing markets?
- Should they jump "all in" with much bigger investments in futuristic products?
- Should the company cut prices to ward off alternatives, eliminate competitors and consolidate distribution to be the "last man standing"?

Additionally, the company's processes were optimized for the current supplier-distributor-consumer infrastructure. Were there threats to distribution that could damage their market position and sales?

Spark Partners was asked to assess the potential impacts of known and unidentified trends that could affect the business, and provide a focus on future threats and opportunities.

For this client we did a Second Level assessment. First we sensed the environment for impactful events, technologies, ideas and products. Second we identified trend intersections, speed of market behavior change and the potential magnitudes of trends on likely future scenarios – scenarios mostly not considered by the client.

Conclusions:

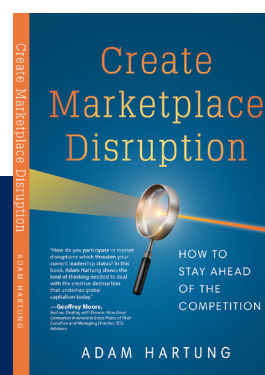
1. Buyer power: Opportunities existed to exert power over the supplier network and turn risks of customer consolidation into defensive sales opportunities.
2. Demand disruptions: Trend interactions and event piggy-backs made it clear the market for the company's "core" products would substantially diminish – and at a much faster rate than expected (during the planning cycle.)
3. Business Model: Changes in market demand, supplier integration, distribution and availability of alternative products risked making traditional distribution and the company's business model wholly obsolete.
4. Underserved markets: There were poorly met needs for existing products in some markets, and alternative product opportunities were rapidly emerging in new markets creating large future sales opportunities if actions were taken to shift the company's strategy.

The assessment provided company leadership significant insight for company strategy:

- A clearer picture of what trends mattered – and which did not
- The likely speed of trend impacts on existing markets – and emerging markets
- The dynamic event intersections that could affect timing and magnitude of trend impacts.
- Changes to the strategy process for more effective planning.

Let's talk!

If you think a strategy assessment can help your business, email me at adam@sparkpartners.com



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