

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.

CASE STUDY

Using Trends to Create Growth for a Small Business

A regional supplier of exterior doors, windows and greenhouses was unable to maintain revenue growth. A long history in its region, although small, the company had good relationships with local distributors, an excellent knowledge of the local environment, and a history of mediocre profitability with little growth.

Attempts at growth had not been sustainable. After the splash of market entry, sales growth rapidly subsided and price competition ensued. Uninterested in sustaining losses, the company would withdraw.

Why could it not apply its home market success into new markets?

We conducted a Second Level Trend Assessment across markets followed by our Interactive Trend Optimization in two areas for detailed recommendations

Traditional growth had relied on distributors. But distributors are not marketers. They don't build brands. Distributors do not generate demand. When distributor salespeople must explain brand features and benefits, even for a higher margin, it is more economical to offer lower priced product to rapidly close the sale and get the commission. Overly reliant on product benefits, the company's strategy was out-of-step with trends in distribution, marketing and customer expectations.

(continued)

Why do strategy assessments matter to your business?



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



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

Two critical trends were identified: demographics and population migration and the "Amazon effect."

Two critical trends were identified in the Trend Assessment. The first was linked to demographics and population migration. The company had selected new markets without proper regard for demographic considerations, leading often to abundant competition in the face of limited growth. Focus on the right demographic data allowed us to identify geographies likely to produce higher sales growth and margin, while avoiding competition-intensive market traps leading to price wars.

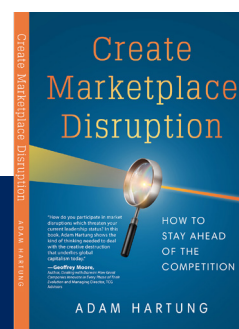
The second trend was understanding the "Amazon effect" in distribution leading to "manufacturer margin grab". Makers of all products must have a direct-to-user relationship, combined with effective, low cost fulfillment. Overspending on fulfillment is wasted margin dollars, while underspending on customer relationships leads to weak pricing and limited sales growth. Due to industry biases and the deep involvement in existing industry business models, the client was unable to see dramatic disruption already occurring in her industry, and the need for many facets of brand building and reduced emphasis on distribution investment.

Shifting from product centricity to customer centricity leads to a sustainable market presence long-term.

By targeting geographic areas with the right demographics (which we identified,) and investing in much better marketing skills (which we identified,) the company could quit being product centric and become more customer centric. Instead of trying to find a market for their product, and a distributor to hopefully make sales, they could build internal digital marketing and customer service capabilities to have a much stronger business using much lower cost distribution (which we identified.) This focus on customers, brand and geography would lead to a sustainable market presence long-term and ongoing revenue growth at higher margins.

Let's talk!

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



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