

# Door Opening

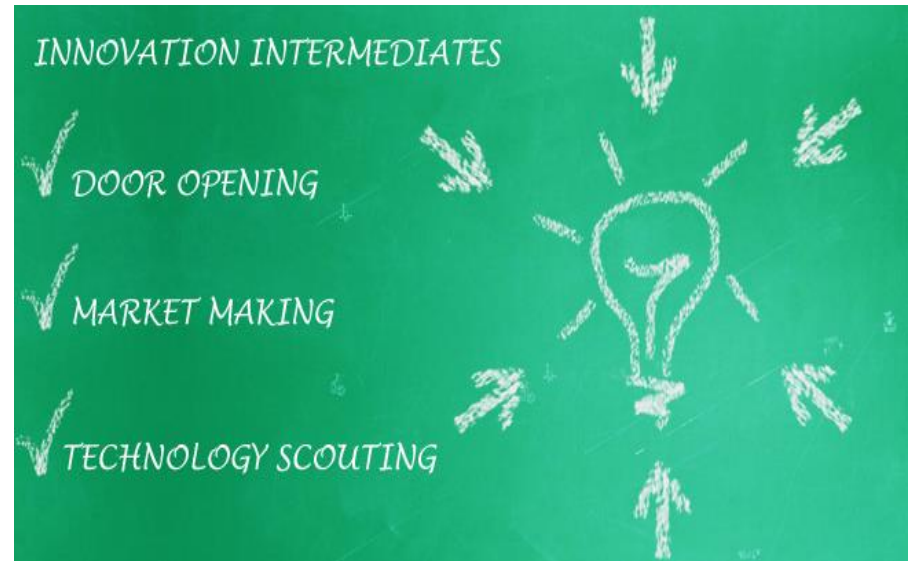


# IRCONSULT backgrounder



**IRconsult creative strategies** (*founded 1996*) is a specialist innovation intermediary in R&D2B and B2B markets between system integration specifiers and emerging technology sources, particularly in the following segments:

- Environmental & Sustainability
- Sensing and interface technologies
- Process control and understanding
- Materials and coatings
- Economic science-based core competences playing complimentary roles to clients' technical capabilities.
- Underlying strengths:
  - Business Development
  - Relationship Management
  - Organizational Behavior
  - Dynamics of supply and value chains
  - Complex communications
  - *“Door Opening”* to both technology users and sources



For more background, visit our web site, [www.irconsult.ch](http://www.irconsult.ch)

# Door Opening – acting as an innovation intermediary



- **Technology Scouting:** assisting large companies to source technologies
- **Door Opener:** helping sources of emerging technologies to identify markets and win new customers and suppliers. This process makes things happen.
- **Market Maker:** frequently creating markets based on these phenomena
- **Productizing:** co-managing the process
  - from concept thru technology platforms
  - to recurring revenue generating products
- **Know-how acquisition:** identification, engaging and leveraging with targeted specifiers, influencers and decision makers in technology transfer situations, turning market research into intelligence.
- **Success factors:**
  - critical door opening skills critical door opening skills
  - "fast on our feet" orientation
  - detection of early phase technology adopters
  - market breakthroughs based on judgement and opportunism
  - positioning clients' offering through opportune use of creative strategies
  - communicating results and seeking feedback towards strategy fine tuning



# Door Opening as a source of finance for start-ups



- Many start-ups are fixed on obtaining public funding as a source of finance.
  - applications for funding absorb lots of management time
  - funding distorts the measurement of true financial performance and transparency
- Technology rizes are a mixed blessing
  - they bring recognition
  - but
  - distract management focus
  - there are now too many of them to be effective promotions
- First they tax you, then they make you compete to get your money back
- But what companies really need is **business**
  - non recurring engineering
  - sponsored research
  - contract research
  - experience getting exposed to large companies is good training



# Linking market concepts to technical objectives



- **Work backwards from understanding customer and market needs**
  - actual, potential and anticipated
- **Distinguish noise from common sense**
  - distil needs from intelligence to research data
- **Define and articulate needs**
  - based on customer / supplier / user feedback
- **Interface internal and external technology research**
  - back-to-back, synchronized, seeking synergies
  - rank by risk to the client: low / medium / high
- **Link internal, external and open innovation sources seamlessly**
  - finding solutions to technology, market entry & exit, competitive barriers
- **Nature of solutions found**
  - can be complementary, substitutive, margin and/or game changing
  - should aim to increase channel influence and customer ownership



# Target market



A **target market** is a group of customers towards which a business has decided to aim its marketing efforts and ultimately its product or service offering.

A well-defined target market is the first element to a marketing strategy.

The marketing mix variables of product, place (distribution), promotion and price are the classic four elements of a marketing mix strategy that determine the success of a product in the marketplace.



# Participating in a competitive process



- getting into customers' technology supply chains and winning mindshare
- if not successful in this technology cycle, then the next one, by winning "hearts and minds" for future preferences
- for new/additional technology sources, both obvious and unconventional
- reminding technology sources that they now have a choice
- acting in both covert/overt and structured/unstructured modes as required

As an external technology source, it's necessary to be:

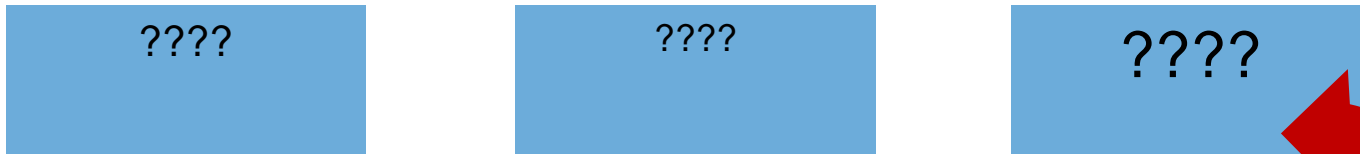
- fast-on-our feet
- able to compete, even with internal sources at the customer



# Achieving market channel acceptance



- Level A: System Integrator – Solution provider



- Level B: Instrument makers



- Level C: Component manufacturers (e.g)





# How to position your offering – fundamental selling tool



Bear in mind:

- Technical Features
- Marketing Applications
- (end) User Benefits



# Profile your clients



- Start-ups in almost all cases need to export
- First home and then global markets become saturated
- In private hands, negotiations directly with the owner/ top management  
→ decisions can be made fast
- Flexible, reactive
- Creative on a technical level, capable of quick reaction to application stimuli
- Globally targeting niche industries
- Has typically 5-6 clients and seeks 6 more for the coming 3 years (limited bandwidth)
- Semi-custom nature to products – no standard products
- Needs R&D funding
- Ready to take financial risks if the project is worth it



# Why ideal customer profiling is important



- **Definition:** An Ideal Customer Profile (ICP) indicates your sales sweet spot where targeted companies represent the best fit for your products. These targets stand to benefit the greatest from adopting your solution tailored to their needs rather than a competitive one.
- **An Ideal Customer:**
  - **wants** your product
  - has the **technical capability to understand and appreciate** applications in the technology spaces where you excel
  - has the **authority to specify, design-in and purchase** your technology
  - will **re-buy** your offerings at **acceptable revenue level and margins** on a recurring basis
- The objective is to target the type of customer where you win the most traction and sales opportunities

## Rationale:

- Identifies what your sales “sweet spot” is
- Channels promotional expenditure / effort towards the correct target
- Generate customer buying signals – proactively and reactively
- Enables the provision of appropriate technology / product content to right specifier at the right time
- Customer resonance will be achieved when you achieve mind share with the target who in turn contacts you as his “ideal supplier”



# Marketing tactics which go a long way



- Set clear goals, objectives, tactics – and strategies on how to reach them
- Competitive behaviour – take the best and leave the worst
- Focus spending and own your chosen communication channel
- Create effective selling tools for many marketing situations
- In engineer to engineer marketing, use quantitative data - *figures*
- “*Fish where the fish are biting*”
- Try the unusual
- Look and act bigger than you are
- Exploit the *bush telegraph*
- Free media is always available. Seek and you shall receive.



# 4 steps of early stage marketing behavior



- **Step # 1: Plan:**  
without a structured and researched plan, the early start-up will not succeed
- **Step #2: Program quality not quantity:**  
success is determined by the quality of individual marketing programs rather than the quantity of actions involved
- **Step #3: Execution:**  
precision, integrated, skillful, tuned to customers' and stakeholders' expectations. Communicate the message, win the customer.
- **Step #4: Repeatability:**  
ensure programs can be repeated:
  - to audiences large and small
  - using situation-specific information
  - citing offering of the firm in terms of features, applications and benefits



# The importance of an extensive scouting network



Market Trends  
Probing  
Mkt. Intelligence  
Scouting  
Partnering  
Ideation  
Exploration  
Relationships  
Mindshare  
winning  
Solving Problems  
Gap analysis

- Universities
- Research institutes & government labs
- Seminars, exhibitions & conferences
- Start-ups, incubators, angel investors and VCs
- Publicly funded research program results
- Economic development agencies
- The bush telegraph
- Patent filings, trolls and attorneys
- Chapter 11 type situations and their accountants
- EU program networking days & open days
- Up and down the supply chain
- Inspiration, perspiration and former colleagues
- Selected social media, e.g., *LinkedIn*
- *You, the reader*



# Early adopters: double edged



- Consumers who are the earliest within a market to adopt an innovation or new technology
- First customers can be predatory: sense early stage dependence
- Exclusivity may be forerunner to control (IP leverage, financial & contractual conditions, etc.)
- Main motivation is to differentiate themselves from the rest of their operating environment
- Industrial markets:
  - early adopters are risk takers
  - may be part of their own marketing image
  - often require some sort of exclusivity
  - often require an acquisition strategy
- Consumer markets: feel that they are missing something that can only be fulfilled by early adoption of innovative technology – often fashion conscious



## After the Low Hanging Fruit...



**...what problem are you solving?  
...why?**