



BUILDING A HIGH-PROFIT BUSINESS MODEL

Executive Overview for:

The High Profit Business Model built around Differentiated Product and Service Solutions

"The Business Model" is where the rubber meets the road. This discussion will set us up for building the "High Profit" Business Model where we identify the building block for our High Profit Model. These building blocks are made up of "Differentiated" Product or Service Solutions and the Target Market Segments and Customers that will place a high value on those products. We integrate these Products and Markets into what we will now call Product-Market Sets, each of which is called a PMS. We will spend time evaluating the short and long term viability of each PMS and, most importantly, the profit potential of each PMS. This is where we discover which Product-Market Sets currently carry our business and which ones the business carries. Building your business model with financially strong current and future PMS building blocks and investing in the product-market sets that will generate strong returns is what will drive our High Profit Business Model"- YourBoard.US

1. The Business Model and its two primary components.
 - A. Product
 - B. Market
2. The integration of product solutions and market into Product-Market Sets.
3. The 3 components that make up a competitively successful product solution.
4. How core strengths, focused properly, create differentiated products and services.
5. The product profile, the customer "needs" evaluation and the initiatives for creating product differentiation.
6. The market profile and how to go about understanding what the customer really wants and will pay for.
7. Finding a "market void" is like discovering oil.
8. Designating each Product-Market Set that you will be considering for inclusion into your "High-Profit" Business Model.



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We have invested a lot of time discussing leadership and the successful development of the organization. The entire purpose of having strong internal leadership and a strong organization and culture is so that your company has the ability to successfully build and execute a high profit business model around your “Core Strengths.” These “Core Strengths” allow for the creation of highly differentiated product and service solutions that a pre-selected group of target market customers and buying influences place a value great enough to generate superior profits. In theory, you can have great leadership and a strong organization but if that human talent and leadership isn't focused on building and executing a “great” business model that maximizes the profit your company can generate, all is lost. Where the “rubber meets the road” in the creation of a high-performance company starts with building a high profit, scalable and sustainable business model.

The Business Model

There are two core components that form the foundation in building a profitable and sustainable business model.

It is critical that you have a complete and thorough understanding of these two key components before you start the construction of your business model.

These two core components of your Business Model are: **Product** and **Market**.

PRODUCT

While Product and Market may be looked at separately they are totally interconnected. The **Product** represents the goods or services you are providing from the internal core strengths you possess to develop, differentiate, produce and sell your products. **Product** is all about you and who you are as a company. It's about your historic, evolved and acquired core strengths; it is about what capabilities you have to create and develop competitively differentiated features, benefits and support services etc., that will generate value to a pre-identified and targeted group of buying and specifying influences that you call a market segment or market niche.



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MARKETS

Markets are segmented groups of buying, specifying and user influences that have specific sets of needs, desires, (and sometimes wishes) they need to acquire in order to meet their company's requirements and achieve, in many cases, their own personal goals.

From the customer's viewpoint, a product or service that meets or exceeds their needs and relieves their "point of pain" at an acceptable price-value relationship (price point) is termed a **solution**.

The integration of product and market into Product-Market Sets represents the core function in building the Business Model.

Converting your **Product's** features, benefits and services into your targeted **market's** need for a **solution** is a key activity of this process.

The Key Objective

Understanding, building, nurturing and then using your company's core strengths and abilities to build a clear, competitively differentiated product that a pre-identified target market segment places value, at a price point that generates profit, is the goal.

Selecting the current and future Product-Market sets that offer your company the greatest profits and resulting return on sales and investment will be the objective of your business model.



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Let's start with a discussion about **PRODUCT**

Note: The first point to be made is that you will refer to **PRODUCT** to describe both products, as in goods, and also the delivery of Services which are the primary offering to the market. Services provided as the primary offering are referred to in this exercise as "products" and are different than "support services."

Support Services

In some instances, you will refer to "support services" which are not your primary offerings to the marketplace but instead "services" that surround and support your primary product or service offering to the market.

Again, we will call both products and services that are the primary offering to the market place as: **Products.**

The product is made up of three components.

1. **Performance Outcome:** Ideally, a competitively differentiated "**performance outcome**" from the viewpoint of the targeted buying influences. This is the actual product or service functionality or performance that is expected from the buying influences. A positive performance outcome is the most important component of your product.
2. **Strategic Support Services** are those services that surround and enhance the differentiation of the desired product outcome. These strategic support services are considered part of the product, in a sense, and may come before, during or after the product is put into use. An example of strategic support services may include upfront assessments, budgeting, engineering, designs, training, usage recommendations, value analysis, technical assistance etc. The strategic support services become part of the "product package" and in many cases, supplement the competitive differentiation of the product performance offering itself.
3. **Customer Service and Support**, at each contact point, is the Third Element of the "Product Package" and often adds to the competitive differentiation of the product performance and strategic support services. In many cases, customer service can be the competitive tie breaker. Customer contact friendliness, competence and a sense of urgency, in the order entry and confirmation process, delivery, tech support etc. would be examples of customer service and support.



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The reputation of having positive product performance outcomes and strategic support services allows for the penetration of new accounts and the development of new sales. Customer service at each contact point, on the other hand, promotes retention and allows you to overcome periodic issues that are a part of every business relationships.

In a later segment, we will talk about creating “**pro-active customer service**” which will clearly differentiate you from your competitors. This is generally an opportunity for small and mid-size companies to excel and separate themselves from larger, slow and more lethargic corporations.

Core Strengths

You must have the core **strengths** to develop and promote product differentiated performance outcomes and service and support differentiation that will generate customer satisfaction.

In order to fill a “market void” or create a competitive gap with high performing product solutions, it is critical that you have the core strengths in place to provide a strong value proposition by offering a differentiated solution.

Core strengths can be historic, evolved, acquired or even leased or contracted, but they must be in place for your company to effectively create perceivable competitive differentiation in product solutions and new strategic or support services.

The product performance and customer service and support differentiation must be competitively differentiated, but more importantly, that differentiation must line up perfectly with the needs and strategic direction of the target market user's, buying and specifying influences.

Investing in product performance and service differentiation for their own sake is not good and a waste of investment dollars. All product and service development should be firmly grounded in providing a solution for an identified customer requirement, desire or wish.

Differentiation must be totally in line with customer “pain points”, as the customer sees those pain points. Differentiation is designed to do a competitively better job of relieving a targeted customer's “pain point.

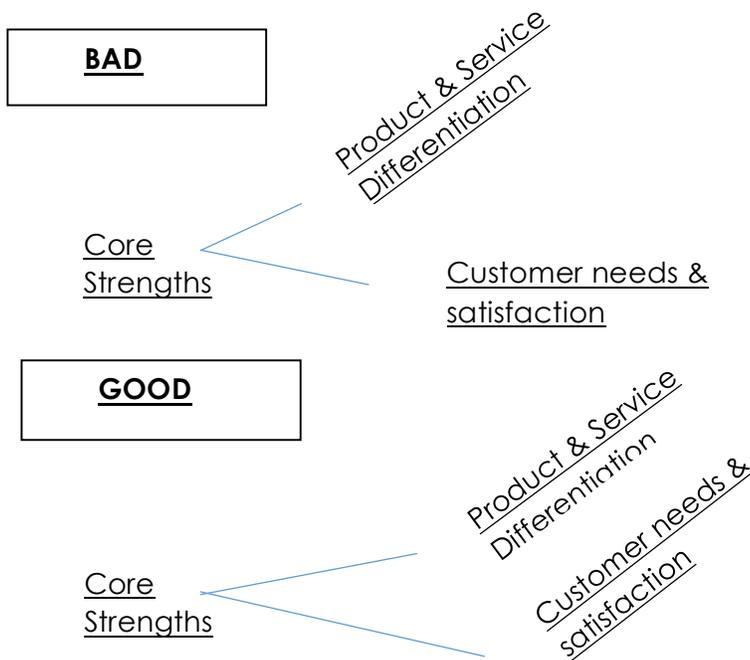
Core strengths drive differentiation which should be developed on the same track with customer needs and satisfaction.



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Example:



Never invest in product or service differentiation that is not driven by clearly identified customer requirements and satisfaction needs. Again, investing in differentiation that does not link directly to customer needs or wishes, sometimes solely for the sake of being first at something, is a bad investment.

Your “Product” Objective

Our objective is to use the creativity and core strengths of the company team and all existing and planned technology plus any, and all, unique skills, capabilities and resources to create competitively differentiated products and product groups that will exceed the customers' expectations and make money for the company.

This is where you combine the product features and benefits that generate good performance outcomes with the right combination of strategic support services and customer service and support practices to create enough positive product differentiation, and ultimately customer satisfaction, to warrant a value proposition in the market that will generate superior profits.

A company may offer multiple product groups aimed at one market segment or several different market segments.



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We will now begin the process of building the Product-Market Sets that will convert product features and benefits to desired customer “solutions” and become the core of the business model.

Let's first continue with the product description development before we move to market.

Each product group should be numbered (1-2-3-4-5) and have a “short description” for later use in setting up the product-market matrix for developing the business model.

A “**product group**” is the group of either interrelated, optional or accessory products (or services) that generate a single set of performance outcomes.

A company, (as we will see later in the example) may have 1 to 5 product groups. Most closely held companies may have no more than 2 or 3 product groups. The key is not the number of Product Groups you have but the competitive differentiation you can create and the profitable market penetration you can achieve with these product groups.



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PRODUCT PROFILE PLANNED

Complete and detail the Product Group description for each planned Product Group

You may add a planned new product or modified-improved product as one of your product groups. You will need to profile it and assign a short description and product group number.

1. Provide a complete and detailed description of your product (or service) package to include:
 - A. Detail product features, benefits and the intended Solution that will meet desired **Performance Outcomes**
 - Highlight known competitive advantages (differentiation) in your product performance outcomes (solution)
 - List any known competitive disadvantages in our product performance outcomes.
 - List competitors who have those advantages.
 - B. Outline the current or planned **strategic support services** intended to surround and enhance product performance outcomes and become a part of the product package. Example: Upfront assessments, budgeting, value engineering, designs, training, technical assistance, set-up, warranty, usage recommendations to name a few.
 - C. Outline the “planned” **customer service and support program** that demonstrates “pro-active customer service” and enhances the customer’s contact experience with your company at every level. The customer service and support plan requires internal training to assure the customer feels wanted, needed and loved at each contact point. Examples: All phone answering, inside sales, counter sales, service dept., delivery, outside sales, website, technical support, start-up training, internet direct billing or communication connection, etc. will be a part of the customer experience that you want to always be rated as A+.

We have not, as yet, converted our product (or service) product performance features, benefits, support services and customer contact point services (product package) into target market solutions. We will do that after we analyze the target market solution requirements in each of the target market segments we are planning to penetrate. That comes next.



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What we do want to do, however, in this product group profile is to meet with your entire team (multiple times) to be certain we have built every possible competitive differentiated advantage into your product package. As you evaluate your target market, and begin integrating your "product package" of features and benefits into a target market solution you will need every bit of "competitive differentiation" you can create and then promote to assure that your market solution is recognized by the customer's buying, specifying and user influences as a clear and perceivable advantage that does a competitively superior job in relieving the "pain points." Differentiation is directly connected with customer satisfaction which is what establishes a positive and profitable price-value relationship.

Potential Impacts on your "Product Package" market acceptance and resulting demand.

Now that you and the team have created one or several competitively differentiated product packages, it is always wise to go through a process where you consider the "what ifs" that could potentially impact the acceptance, demand or reputation of each "product package." The goal here is to develop contingency plans if one of these factors turns negative. You have all witnessed the fatal impact to companies that occur when there is no contingency planning.



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1. A “hit” to reputation can result from **poor product performance or poor quality**. False claims in promoting the product can also impact reputation and demand. Prepare for how to handle a product quality problem that occurs after the sale.
2. **Technology Changes**. New or improved technologies can be a game changer. If your company implements the new technology it can be very positive. If a competitor implements it, the impact can be significant. Always monitor emerging technologies and be prepared to apply them to your current product packages or create new products that incorporate new technologies. Remember that all advantages have a shelf life. Always have your new technologies and competitive advantages planned in advance.
3. **Governmental and Regulatory Changes**. Always monitor, through your trade groups, any pending legislation or regulatory rules that could impact your product make-up, performance, market acceptance, or costs.
4. **Economic Changes** – Measure impacts of changes in the economy, especially drastic changes. Your customers may drop a performance level or price point or delay or even cancel purchases during tough economic times. Have a plan to offer an economy product package during economic downturns.
5. **Competitor Changes** – Changes in competitor locations, capacities, capabilities, mergers and acquisitions could impact your market share and the pricing structure. Many times, there is not much you can do but you should be aware of the potential impact to your company.
6. **Demographic Changes** – These are generally slow moving trends in the median age of your target market, population movement, population advancement in education, technology etc. Strategically it is important to consider the demographics (location, age, education) of your target market buying influences to be certain you adjust your product package accordingly if there is movement.

Summary of Potential Market Impacts

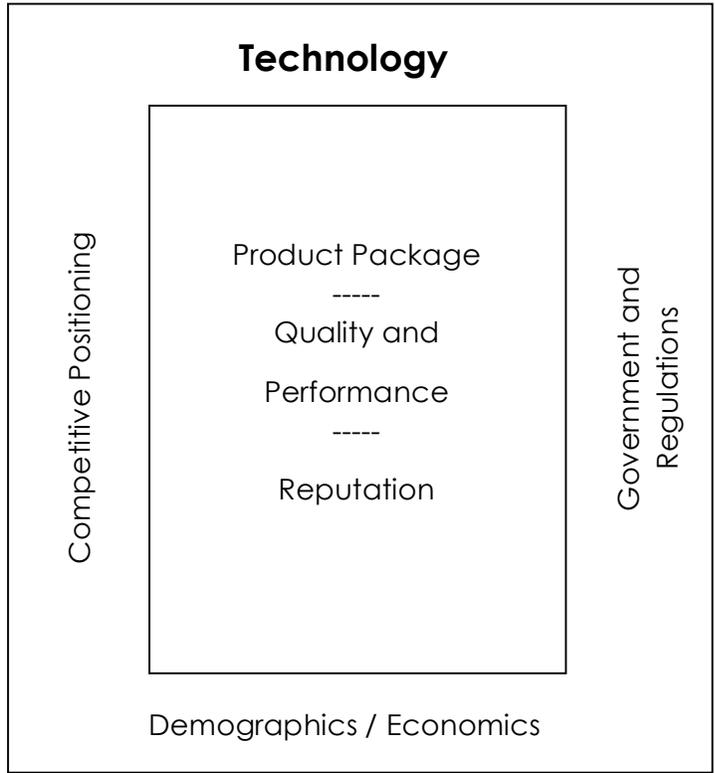
These potential market impacts to each selected product package viability should be thoroughly discussed, understood and monitored. Plans and initiatives should be developed and implemented if any of these changes or “market impacts” start to take shape as a serious threat. We cover this in greater detail in the section on “Building a Bridge to your Target Markets – the Watchtower Segment.”



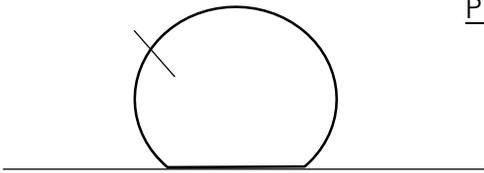
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Potential Impacts on the Viability of Your Product Package



SWOT



PROJECTED PRODUCT LIFE CYCLE

If this Life Cycle analysis is applicable to your product package, mark where you think your product package currently is in the "Product Life Cycle." In other words, how long do you think each of your selected product packages will maintain a good market share due to you possessing competitive differentiation?

Where each of your Product Groups sit in the Product Life Cycle analysis will determine how much money you will continue to invest in differentiation. You have to keep monitoring each Product Groups return on sales and return on investment to be certain you know when to invest and when in products enhancements and when you stop investing and transition a Product Group into a cash cow for the remainder of its useful life.



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Overall Product Group Package Objective – It is all about Differentiation

Each separate “Product Group Package” offered to your selected target markets should go through the product profile thought process or better termed “differentiation building” process with the goal of creating a clear and promotable competitive gap in performance and service over your competition. Your team needs to be focused and committed to creating a product package solution that delivers superior customer satisfaction and superior value to a targeted market customers so you can establish a profitable price point.

Remember: Solution Differentiation = Customer Value = Higher Prices = Higher Profits.

Price Point “Range” Planning

After you have completed building your product group (or service) package offering, and most importantly built into your product and service package the necessary competitive differentiation to provide separation from your competitor’s product offerings for the same target market category, your team should analyze where your price point range should be in relationship to the same, or very similar, competitive product or substitute offerings.

- Show the price point “range” for each selected product package. Also, show the competitor’s general price point range, based on your competitive intelligence

Your planned price range options price	Competitor price ranges (1)	Alternate solution range
\$ to \$	\$ to \$	\$ to \$

Note: At this point on the “product” evaluation we call our price point analysis a price point range. Later, when we analyze our product solution offering in relationship to our designated target market (customer) needs and requirements and the competitive product solution offerings, we will fine tune this price point range.



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Moving On To Market

This is the “Market” side of the Product Market Sets.

Remember “Product is all about your ability to use your company’s core strengths to build differentiated features and benefits that are then converted to solutions that are intended to provide value to an identified market segment.”

Keep in mind your customers don’t really care about your product features and benefits...

What they care about is how your product’s features and benefits provide a “solution” for a requirement, need or desire they have. Your **solution** should be designed to relieve your targeted customer’s “pain points”.

When we select the product groups to place in our business model we need to be absolutely certain that the “customer solution” we develop with our product’s differentiated features and benefits provide a “Target Market centric solution” and not just “product centric” features and benefits.

To achieve this, we must do something that is really not terribly common among smaller and mid-size businesses . . . you must proactively go out, discover and understand in great detail what your targeted customers are buying, specifying and what user influences are thinking regarding this “Pain Point” category. We must understand where the customers have positioned our products among our competitors and why. We must know what their needs and desires are for the current and next generation of solutions within this category of offering.

A very large company would call this exercise a focus group or market study. Smaller, private and closely held companies call it sitting down and having a conversation with customers to see what they really need, desire and wish for. Pretty simple . . . but not done very often.

The ultimate result of personally visiting with are customers is that we can consolidate and compile this directly acquired customer data into a simple “competitive comparison matrix” that indicates your customer’s “true” priority of needs and the company’s strengths and weaknesses, as perceived by the customers.

We end up with a picture of our perceived differentiation coming directly from the buying, specifying and user influences of our target market segments.

Our focus on future product differentiation investment is influenced heavily by those direct one-on-one discussions with our current customers.



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Understanding Your Current Customers and their Motives

The first move we make is to put a team together that generally include the owner or senior leader, our primary customer contact and one, or possibly two additional people who are actively involved in the marketing, product development, operations and sales activities of the business. If you are represented by an independent rep or distributor, it is generally a good practice to include them but let them know you will be leading this particular meeting.

We then pick our best customers from a sales revenue standpoint. We make an appointment and go see them. Ideally the customer team is represented by as many buying, specifying and user influences as possible. It is logical that we will have our best chance for meeting with those customers we consider our “best customers.” In theory, they are doing business with us and know us.

Obviously, we first thank them for their business and then we go to work to determine why they buy from us.

Our objective is to determine why our customers do business with us and buy particular product group solutions from us. What do “our customers” feel is our competitive advantage? Where do our customers position our products and price point amongst the competitive products?

A line of great questioning which allows our team to see inside our best customers “thought process” without looking too invasive would include:

- What advantages in our product performance outcomes would you like to see us continue to develop?
- Are we currently meeting all of your product performance and service needs? Where could we improve?
- If your base requirements and needs are being met, what future desires do you see on the horizon that you would like to have incorporated in our product and service performance?
- We, as a company, work very hard to not only provide products that meet and exceed your performance needs and produce your desired outcomes but we also want to make sure that every one of our “contact points” with the people in your organization feel that we are servicing them at the level of your expectations. Do you think your purchasing, engineering, logistics, user etc., teams would rate our sense of urgency, level of friendliness and service at a high level? When we do occasionally have a problem, do we respond and react properly in your eyes, to solve the issue?



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- As I hope you know, Mr. Customer, we are committed to your business and this industry for the long haul. Technologies are constantly improving; requirements are changing and new and substitute products are always coming to market. In your mind, “if the world were perfect and you were King (Queen) for the day,” what “wishes” would you have for improved or changed product performance? Let us tell you of a few things we are working on to be certain we are aligned with your thinking.

Note: In many cases, your team, due to their knowledge of the changing technologies and market trends, will have to suggest “new ideas” that you know are out there or coming soon to see if they become a customer's wish. The customer generally does not have a broad view of what is being developed downstream, but does understand what would make their jobs or operation better and more cost effective.

- If this discussion with your customer's team, led by some version of the discussion points we have provided here, does not uncover information regarding your competitors perceived strengths of product and support services, it may be necessary to gently ask the question: Who do you think the key market leaders are when it comes to not only current product performance and service but for the development of future products or substitutes within this product group category?”

This discussion should generate a feeling of appreciation on the customer's part considering your team is demonstrating a “true interest” in their business. Proper follow-up in the form of thank you notes and appropriate responses back to the customer on any issues or problem uncovered during the visit will go a long way to form a bond that will allow for periodic and ongoing communications.



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Broaden your “Customer Profiling” and Market Segment Research

In addition to your “best customers” where you should have a good relationship, add to your list of planned visits those customers who buy some products from you and some products from your competition.

The line of questioning we have already outlined can be slightly modified and used with other smaller and only occasional customers.

In addition to your best and good customers, if there are any decent relationships with a few potential customers, to allow for a visit, this is where you can get incredibly good competitive information because that is who these customers currently buy from. Your sales person or independent sales rep can probably secure a meeting with a prospect you have been calling on for a while.

Additional Methods to Understand Your Target Market Trends

In addition to customer visits by your top team, which should be ongoing year round with approximately one scheduled per month; another good method of understanding your customers and their trends in buying is done by the “market watchtower.” In Section IV on “Building a Bridge to your Target Market” we will track our quotes, bids and proposals and with some additional customer follow-up, try to determine “why we are securing new business opportunities” and “why we are losing new business opportunities”. As we analyze why we are winning and losing new business opportunities we will be able to analyze the customer's perception of our strengths and weaknesses and our competitors' strengths and weaknesses. That will allow our company to adjust to an ever-changing market.

What do we do with all of our target market research data?

How do we organize and incorporate all of this data into our product performance plans, strategic support service plans and customer service and support plans?



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Organization of “Target Market” research data into a “Competitive Comparison Matrix”

Competitive Comparisons for “Current” Products

Example Format

Prioritized Customer Needs and Requirements Solution Needs	Rank Suppliers With the Greatest Strength to Provide These Solutions	Product Solution Advantages or Weaknesses		Support Service Advantages or Weaknesses		Price Point Advantage	Customer Perceived Differentiation
		A/W		A/W		Rank Competitors	
1.	1. 2. 3.	1.		1.		1. 2. 3.	1.
		2.		2.			2.
		3.		3.			3.
2.	1. 2. 3.	1.		1.		1. 2. 3.	1.
		2.		2.			2.
		3.		3.			3.
3.	1. 2. 3.	1.		1.		1. 2. 3.	1.
		2.		2.			2.
		3.		3.			3.
4.	1. 2. 3.	1.		1.		1. 2. 3.	1.
		2.		2.			2.
		3.		3.			3.



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Uncovering a “Market Void”

During your customer visits for the purpose of gaining Market Intelligence you might uncover something very special and potentially very meaningful for your business.

Historically, many small closely held private companies got started, and mid-size and large companies got rich by discovering a market void. This is an “open customer need” that can be filled with a new product that then creates a major advantage for a customer. A “market void” is a “pain point” where there is not a current solution available.

There are two elements to uncovering a Market Void. Generally, a combination of strong market knowledge to understand and identify a developing market void, that has the potential to generate a product “revolution”, and secondly a core strength in the area of product development that is required to build a product solution to fill the market void. This is generally the winning combination to fill a market void. The only way to identify a developing market void is to understand the current and future needs of a particular market segment.

The “market survey” exercise that you are doing within your customer base is designed to help you uncover potential market voids so that you can then utilize your company’s core strengths to fill them.



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What does a customer “wish” for. . . Answering this question, in many cases, leads to uncovering a market void.

As part of your customer visits, your line of questioning and discussion always ends with: “If the world were perfect and you were King (Queen) for the day, what would your big wish would be for a revolutionary new product that would make a real difference or create a real advantage for you?” The answers are put into a separate profile (below) to allow you to analyze and potentially uncover a profitable market void.

Searching for a market void

Example: First consolidate the consensus top priority of customer needs you verify during your one-on-one customer visits.

Consolidate and Prioritize customer needs and requirements	A customer's description of the <u>perfect “wish list” solution</u> for each of their prioritized needs
1	
2	
3	
4	
5	

If the environment around this visit is positive and social in nature, the customer is flattered you asked them for advice and cared about their input. This input is very valuable to your creation of sustainable solution differentiation and potentially uncovering a market void.

Now that you have “direct” target market input, you can build the target market profiles that will place value on your various product group solution packages.

After you conduct your customer visits and are able to prioritize their requirements, needs and wishes you can then develop the **Target Market Segment profiles**. You will then match up the **Product Solution Groups** you intend to sell into those Market Segments.

From this point forward you will put your Product Group Solution Packages together with your individual Target Market Profiles and call them **Product-Market Sets**). You will begin to analyze the revenue, margin and profit potential for each product-market set as you build your High Profit Business Model.



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Target Market Segment Profile

You now move from your company's product performance and service package offerings (features & benefits) to your target market segment profile and the desired market solutions.

This is where you start the process of converting and integrating product group package benefits into market solution requirements, needs, desires and wishes.

This is where you start developing the highest revenue and profit potential product-market sets that, when combined, will form the basis of your revenue, gross profit, SG&A and profit plan within the business model you will build.

As you did for each of the Product Groups, you will also put a short description and letter identification on each of the Target Market Segments. This will occur after you have completed a target market profile.



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Market Profile for each Current and Planned Target Market Segment

Note: If there is more than one product group solution to be sold into a single target market, there should be a separate market profile for each product group solution.

Example:

Target Market _____ **Product Group Solution** _____
Short Description Letter Short Description No.

1. A complete and detailed description of this target market segment.

2. Identify by "Position Title" the key decision making influences in the specifying and purchase of your product group package of solutions.

Purchasing Influence _____

Primary User influence _____

Primary Specifying influence _____

Secondary Referencing influence _____

Other influences to the buying decision _____

Who is the "**Power**" influence in most "buying decisions" on average: _____

Which of the influencers need to be our product' solutions customer "champion" in order to succeed in the sale: _____



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3. What is the generally accepted “primary motivation” for purchasing a product solution such as yours. In other words, what is the “pain point” that products in your category are intended to relieve:

Product Solution Performance and Outcome Expectations for this Product-Market Set

4. Discuss in detail the customer’s primary product performance and outcome solution “expectation” for this product package: What customer requirement(s) or need(s) are expected to be satisfied with this product group solution?

4A. Outline how your company’s product solution offering measures up to the product performance and outcome expectations of this target market:

- Areas of this target market “pain point” where our product performance and outcome offerings will meet or exceed the customer’s expectations:

- Areas of this target market “pain point” where your product performance and outcome offerings do not currently meet the level of expectations the competitive market place has established for this product solution category:



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4B. Outline Initiatives around Building Additional Product Performance Differentiation or matching the competitor's outcome performance for this Product-Market Set.

Outline your company's plans to implement initiatives (if any) to bring our product performance outcomes up to, or over, the level of current expectations of this market set by your competition. Discuss plans for improving and enhancing the product package performance and outcomes to reposition the product in a better spot for long term growth.

5. Strategic Support Package Planned for this Product-Market Set

Strategic support services include services like: upfront assessments, designs, budgets, engineering, training, start-up and ongoing technical assistance, usage recommendations, etc.

- Discuss in detail the markets primary customer service and support "expectations" that surround and enhance this product group's performance and outcome offering. What market requirement(s) or need(s) are expected to be satisfied with the service and support package for this Product-Market Set? (Examples: Assessments, Budgeting, Usage recommendations, Start-up Support, Value Analysis, Engineering, 24/7 Tech Support, On-site Assistance, etc.)



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Outline how your company's strategic service and support package measures up to the expectations of this target-market.

Areas of customer need where our strategic service and support package meet or exceed the customer's expectations:

Example: Customers may have a need for your 24/7 Engineering

Support and on-site start-up support. _____

- Areas of customer need where our strategic service and support package Do Not currently meet the level of expectations the competitive marketplace has established for your product solution category:

6. Building additional "Strategic Service and Support" differentiation or matching the competitors service and support performance

Initiatives: Your company plans to implement (if any) plans to bring our strategic services and support offerings up to or above the level of current customer expectations set by the competitive Marketplace. Discuss plans for improving the strategic service and support package that surrounds your product-performance or repositioning the Product Group in a different product-market set priority within the Business Model:



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7. Customer contact point service and support package
This represents proactive service and support at each customer contact point i.e.: purchasing, ordering, shipping, billing, delivery, technical support, etc.

List each of the customer contact points by customer department you will encounter in your business relationship.

_____	_____
_____	_____
_____	_____
_____	_____

- 7A. Discuss the customer's user, buying and specifying influences primary expectations that, if met, would lead the customer to report that "service" from our company is the best they get from not only your competitors but also from suppliers in other supply categories.

- Discuss your current customer service strengths that are repeatedly acknowledged by your customers.

- Discuss areas where we would feel that your customers "contact point" services are not up to the level of your own expectations.



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8. Building additional customer contact point service and support.

Initiatives

Your company plans to implement (if any) plans to bring your customer contact point service and support package up to the highest standard of customer expectations. You plan to exceed Customer expectations.

SUMMARY

Now that you have clearly profiled each “target market segment” with an overall description, a description of pain points and solution needs and a plan to improve and differentiate performance outcomes, strategic support services and customer contact point’s service, you will give that “target market” profile a short description name and a target market letter. *Example:* “Metal cutting”- “A”.

Again, since you will be integrating the “Product Group’s” sold into each “Target Market,” you will also show on this Product-Market set (PMS) profile, the short description “Product Group” name and the numerical designation. *Example:* “metal cutting fluids” – “1”.

We put these Product-Market Set (PMS) designations for each Product-Market Set into the form below. These Product-Market Set designations will be used throughout our PMS analysis.



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PMS DESIGNATION BOX

Target Market Name: _____ (short designation)	Target Market Letter _____ Letter designation
Product Group Name: _____ Product Group Number _____	

Major customers who make up roughly 80% of each Product-Market Set should be identified. We want to determine approximately how much sales this Target Market Group of customers do with each Product Group. Generally, companies do track how much overall sales revenue is done by each customer. Rarely will a smaller company have data on sales by product group. We are trying to get a flavor for the companies that are meaningful to each product market set. You may have to do some “guessing” on how much sales are done with each Product Group within the customers that make up each Target Market designation.



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Product Group Number ____
Target Market Letter ____

Short Description _____
Short Description _____

Rank by Overall Business Done with Our Company	Customer Name	Product Sales Done with Our Company	Average Days in Outstanding Receivables
1.		\$	
2.		\$	
3.		\$	
4.		\$	
5.		\$	
6.		\$	
7.		\$	
8.		\$	
9.		\$	
10.		\$	



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