

# **The Quest for New Growth**

**A guide to challenging your strategy.**

The following is a set of questions helping you to think about your strategy, and maybe find some new answers to the old questions of how to differentiate your company from your competitors, and how to find new paths for growth.

The list is based on literature research and practical tests.

To learn more about the concept and ideas behind visit [www.strategicinnovation.net](http://www.strategicinnovation.net) and download the complete guide to strategic innovation and creating new growth businesses.

Or simply contact us at [office@sniukas.com](mailto:office@sniukas.com).

Comments, feedback and stories of how you used this document are most welcomed and appreciated!

Enjoy,

Marc

# The Content of Strategic Innovation

## An Overview

	Dimension	Benchmark questions
<b>What is your business?</b>	Industry assumptions	What are the main assumptions in your industry? Are they still valid? How can you challenge these?
	Assets and capabilities	Do you let yourself be constrained by the existing assets? How could you creatively leverage existing assets? Or do you need to question existing assets completely and start anew?
<b>Who is your customer?</b>	Customers	Do you focus on existing customers only or do you also target noncustomers?
	Profitability	Do you focus on the most profitable customers, or do you also consider less profitable ones?
	Satisfaction	Do you target the most satisfied customers or the less satisfied?
	Buyers	Does your offering target a single buyer or the chain of buyers?
	Segmentation: differences vs commonalities	How do you segment markets: by differences or by commonalities?
	Segmentation: attributes vs circumstances	Do you segment by consumer or product attributes or by circumstances?
<b>What products and services do you offer?</b>	Product	Do you focus on a single product or a total solution? Is it only a product or an experience?
	Appeal	Do you use a functional or rather emotional appeal?
	Product vs Function	Do you focus on the product or the job-to-be-done?
	Features	Do you keep on improving and adding features or do you selectively raise, reduce, create, and eliminate?
<b>How are you doing this?</b>	Customer interface including distribution channels	Do you rely on conventional channels? Do you offer (co-creation) experiences to customers? Is every step of the buying cycle addressed by the channels? How easy is it to do business with your company?
	Revenue streams and price	Do you benchmark your prices against competition or alternative industries? Is your price affordable to the masses? Do you think cost-plus? Do you have innovative revenue streams?
	Cost	Does your cost structure enable a strategic price targeted at the masses?
	Activity system fit including the network	How well do the activities you carry out balance and reinforce each other? How well do you use the connection to suppliers, partners and alliances?

## Redefining the Business

The essential questions to ask when it comes to redefining the business are:

- What are the main industry assumptions, when it comes to pricing, costumers, products and services offered, delivery, etc.?
- Does the industry have a product-centric, customer-centric, or rather competency-centric approach? What would a change in approach entail?
- Do you let yourself be constrained by the assets and capabilities you possess?
- Are you trying to use the assets you have and simply leverage them, or are you continuously striving to build new assets?
- How many of your competitors do already posses the same or similar assets?
- Which of your assets are truly unique and cannot be imitated or substituted easily by others?
- Do companies without these assets face a cost disadvantage in obtaining them?
- Which of your assets and capabilities are obsolete?
- Which assets would you build if you started anew?
- Ask “What if...?”

## Redefining the Market

- Who are currently your costumers?
- What are their needs?
- Why are they buying your product? What jobs are customers trying to get done?
- Which customer needs is your product actually fulfilling?
- Are there customers you are not serving now who have similar needs?
- Which customer needs and functions can be satisfied best with the company's unique competencies?
- Which customers value most what the company does best?
- Are there any existing customer segments being neglected by the industry now? Why are they not being served?
- Which consumers or customer groups share the most commonalities?
- Are competitors serving segments your company is not? Why?
- Is your company serving markets that competitors are not serving? Why?
- Who is the real final customer?
- How can existing assets and capabilities be leveraged?

## Which customers to target?

existing	↔	noncustomers (2 <sup>nd</sup> and 3 <sup>rd</sup> tier)
most profitable	↔	less profitable
most satisfied	↔	less satisfied (1 <sup>st</sup> tier)
specific buyer	↔	chain of buyers
focus on differences	↔	focus on commonalities
focus on finer segmentation	↔	focus on de-segmentation
focus on attributes (of customers and products)	↔	focus on circumstances (needs and the job done)

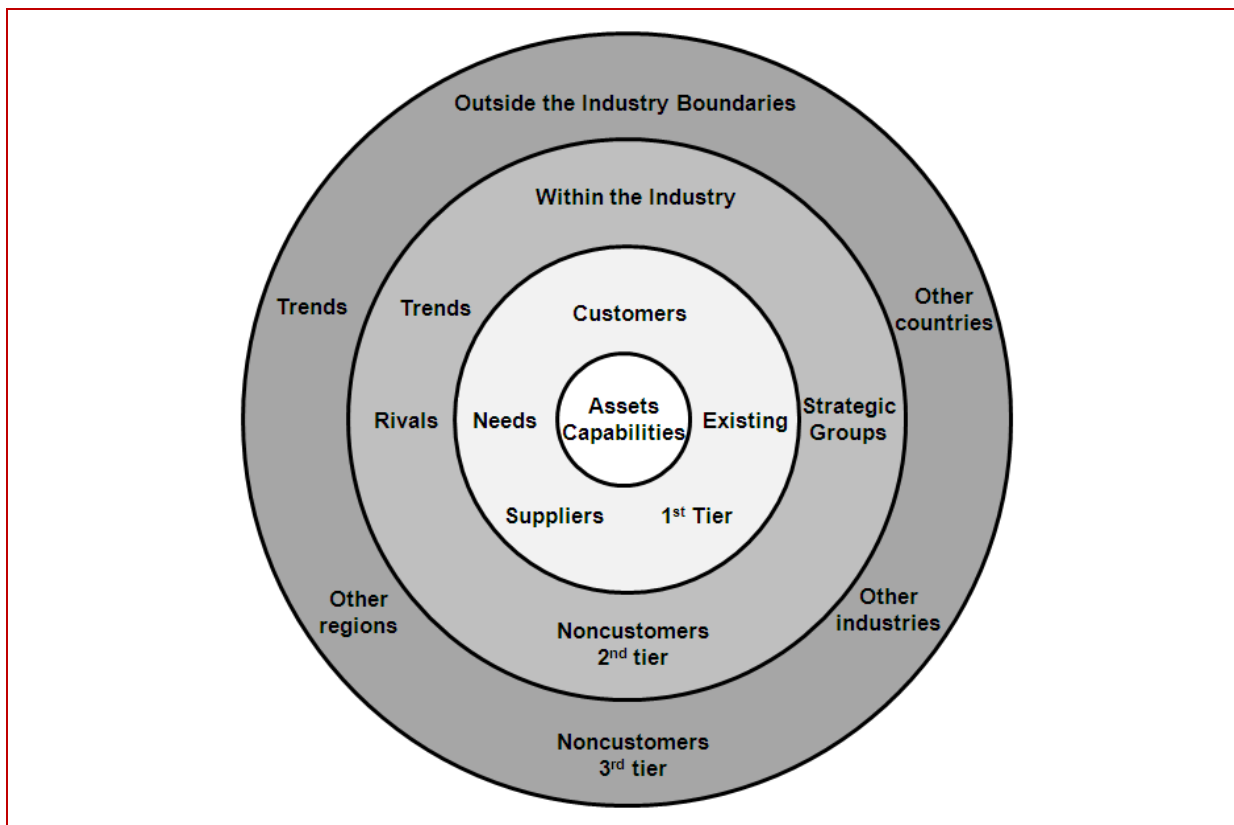
## Redefining the Product

The following list summarizes questions to consider while thinking about which products and services to offer.

- Which of your assets, capabilities, and core competencies are truly unique?
- Which of those are valued by the customer?
- What are the customers' needs and wants? What is the job they are trying to get done? What is the problem they are trying to solve?
- What job can customers not get done?
- How could you build on your core competencies to fulfill these needs better or fulfill different needs with new products?
- Why are noncustomers not using your offering?
- Which elements of your offerings could be reduced, raised, created, or eliminated so as to fulfill noncustomers' needs?
- What could a total solution, making the customers' total experience more worthwhile, look like?
- Could the customers design the products or parts of it themselves?
- Instead of traditional market research: have you observed the customer, talked to them directly, and tried the product yourself?
- What trends can be observed?
- How will they change customers' priorities?
- What offerings do alternative industries have?
- What offerings do other strategic groups have?
- What do companies in similar or even completely different industries or countries offer?
- What would less profitable customers want? How could their needs be fulfilled in a profitable way? Thus, how could they become an attractive market for your company?
- Is consumption constrained by any factors, which might be reduced?
- What do customers do before, during, and after having bought your product?
- Is there anything more you could offer to make the whole experience more satisfying?
- Which emotions does your product or service evoke?
- "Which alternative technologies might meet the customers' requirements? Which rivals are pursuing which approach?"
- What are the two or three key parameters that influence the customers' decision to buy? How do these relate to the technical performance factors or design parameters of each alternative technology?
- How far is my company from the limits of each alternative technology? Are there ways to circumvent these limits?

- How much would the customer value the remaining technical potential? How much would it cost to realize this potential?” (Coyne, Buaron et al. 2000 40)
- Seek feedback and advice from external experts, suppliers, customers, and distributors.

## How to Identify New Products or Services?



focus on existing assets	↔	start anew, or use existing assets in a new way
single product or service	↔	total solution, bundling
functional appeal	↔	emotional appeal and experiences
focus on product	↔	focus on function fulfilled and the job-to-be-done
build new features	↔	raise, reduced, create, eliminate selectively

## Redefining the Business Model

The following list summarizes again essential questions when it comes to the redefinition of the business model:

- How do you reach your customers?
- How easy or difficult is it for the customer to find and buy the product?
- How easy is it to do business and interact with your company?
- How aligned are our channels and processes with the needs of the customers?
- How could you achieve a higher degree of interaction with your customers?
- What would be more fun for you and your customers?
- How could you improve the customer's total buying cycle experience?
- How could you reach noncustomers?
- How could create new distribution channels and innovative points of presence?
- How transparent is the information you have available to the customers? Do they have access to vital information, which could enhance their experience?
- Is your price affordable by the mass of buyers?
- How creatively do you work with suppliers, partners, alliances? How could you work with them in such a way that it creates a competitive advantage? Are they an integrated part of your business model?
- How well do your activities fit internally and externally?
- How well do the activities reinforce each other?
- Could you redesign core processes differently to improve efficiency and effectiveness?
- What is the most expensive part of your existing business? How could decrease this cost?
- How can you either perform additional or eliminate unnecessary steps in the value chain?
- Could you eliminate certain steps in your value chain altogether? Or maybe outsource them? Could you outsource them to your customers? (Think IKEA)
- What is the best organizational structure for implementing this strategy?



In order to assess an organization's level of strategic innovativeness the following process questions could be helpful.

- Who is in charge of developing new ideas? Only top management or the organization as a whole, i.e. everybody?
- How diverse is the strategic management team and those contributing the ideas? Think of experience, age, sex, race, national origin, Kelley's personas, etc.
- When does strategic planning and assessment take place? Once a year or continuously?
- Do strategic discussions revolve around the financial outcomes and the business plan, or around the underlying assumptions?
- Does a common language and picture exist for discussion strategy?
- Are new strategies analyzed and well planned, before implemented, or does the organization test ideas through strategic experimentation?
- Is the portfolio of the strategic experiments well balanced along the dimensions time, risk, and aim?
- How well does the innovation portfolio reflect your strategic goals?
- How well is strategy communicated and understood within the organization?
- Have the barriers to implementation been addressed?

**Need help?**

**If you think that your organization is not ready for innovation, of any kind, contact us and we'll talk about how we can help you.**

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