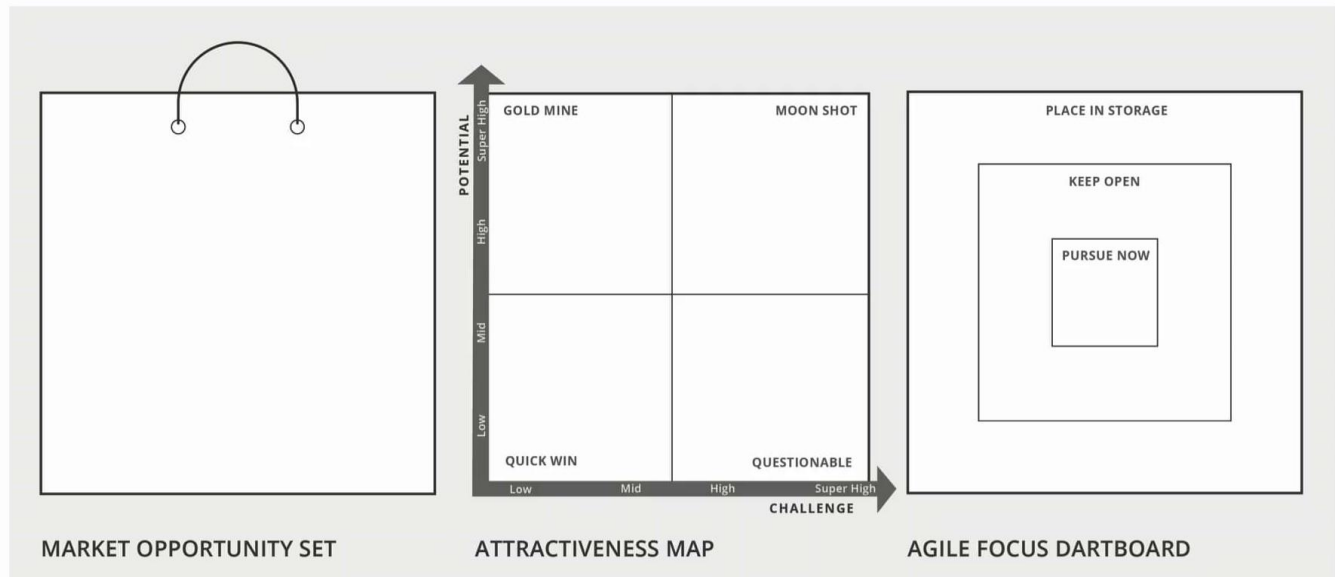


Mapping your options on the Attractiveness Map



The Market Opportunity Navigator



Which markets to play in?

Hello and welcome back. In this section, we are going to talk about the attractiveness map itself. The map is the result of the evaluation process that we described in the previous sections of this week. As you remember, the market opportunity navigator has three steps- the first one which we described in week 2 is the market opportunity set.

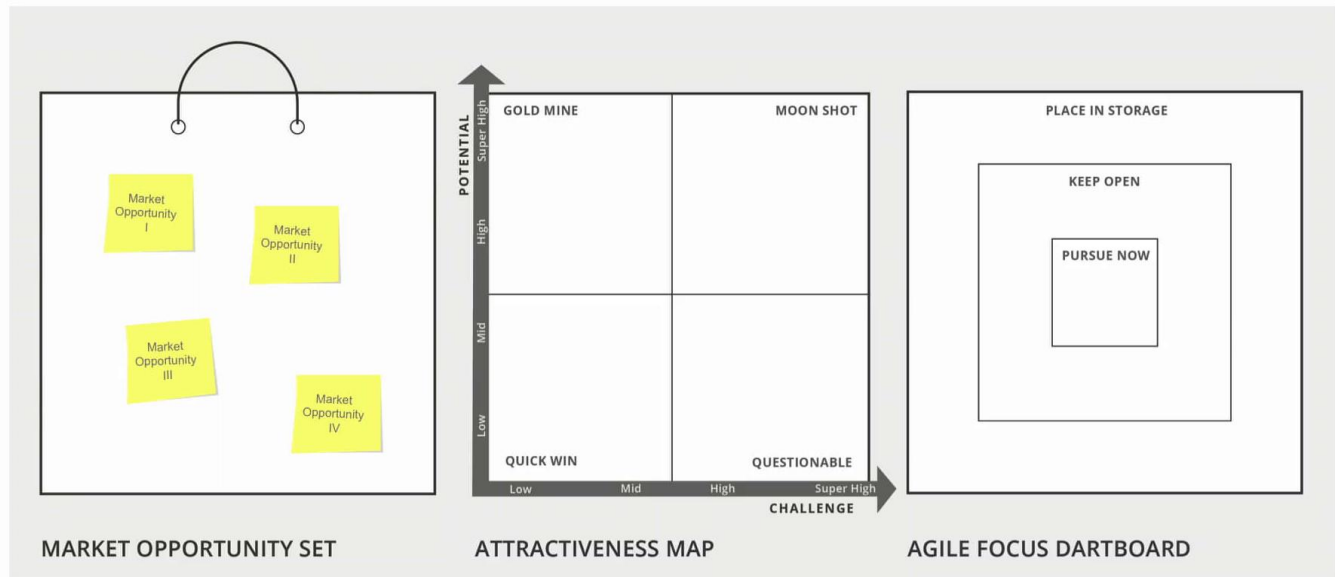
Notes

Summary



0m 04s

The Market Opportunity Navigator- 1st step



Which markets to play in?

The market opportunity set includes several opportunities that you'll wish to further consider. Each opportunity is a unique combination of a specific application for a specific set of customers. By now we've seen how to evaluate the opportunities in your set. Now how can you compare them and choose?

Notes

Summary



How to Map your Options?

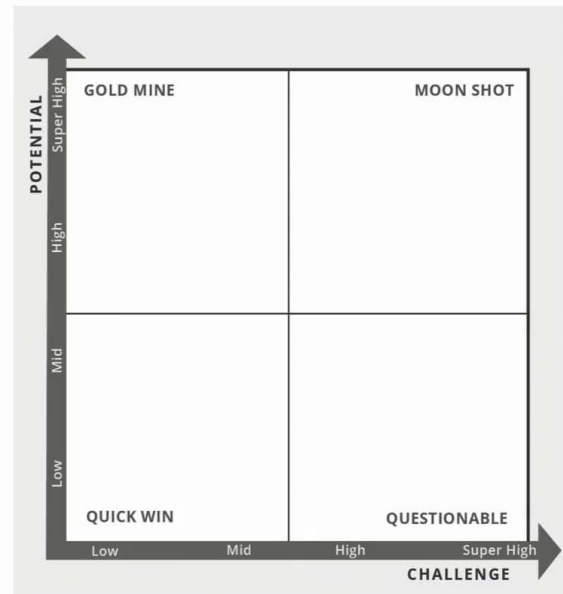
Once you are done with evaluating each market opportunity in your set, you can place them on the Attractiveness Map:



The Y-axis of the map represents the 'Potential' of the opportunity.



The X-axis of the map represents its 'Challenge' associated with the opportunity.



Which markets to play in?

Well, the attractiveness map allows you to visually depict the evaluation of your market opportunities so you can better grasp their upsides and downsides and compare them with each other. This visual helps you in determining your most attractive options at a given point in time so that you can make an informed decision on which markets to play in. So once you are done with evaluating each market opportunity in your set you can place it on the attractiveness map. The y-axis of the map represent the potential of an option and the x-axis represents a challenge. These dimensions divide the map into four main zones according to the potential level and the challenge level. We will discuss the meaning of these four zones in the following video.

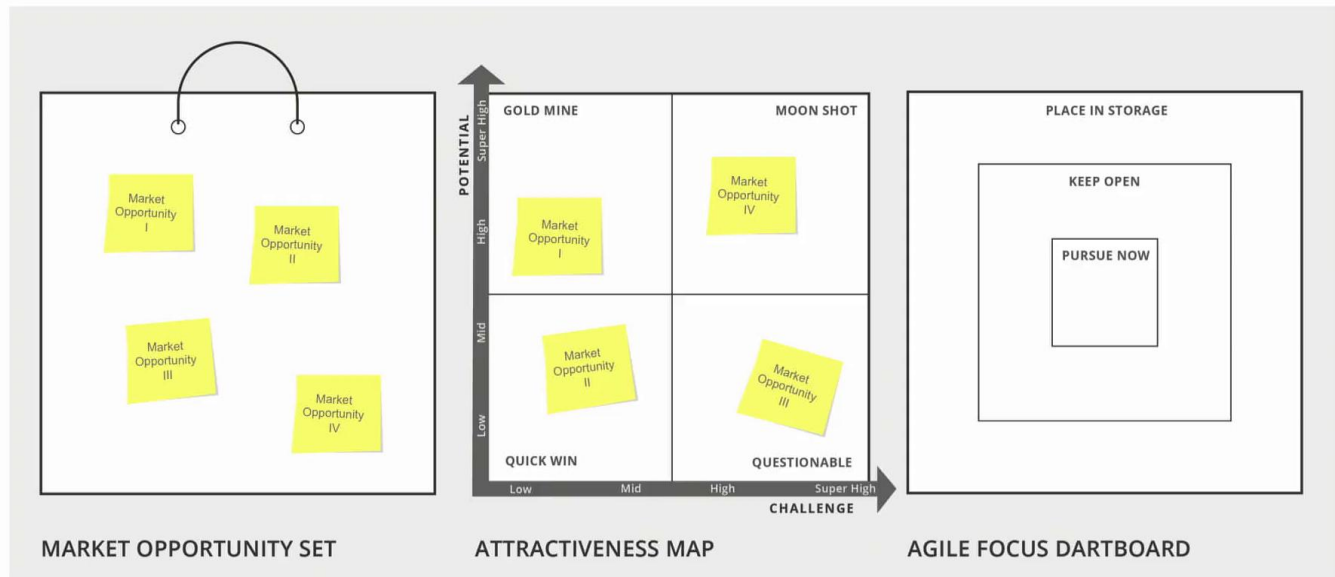
Notes

Summary



0m 50s

The Market Opportunity Navigator- 2nd step



Which markets to play in?

The attractiveness map becomes very helpful as it enables you to see the trade-off of each option in itself but also the trade-offs among your different options. Let's look at an example to illustrate how you should map your options on the attractiveness map.

Notes

Summary



1m 41s

Back to Augury



MACHINES TALK, WE LISTEN.

By now you probably remember Saar and Gal the founders of Augury. Augury's product can listen to machines and provide the ability to predict malfunctions before they actually occur.

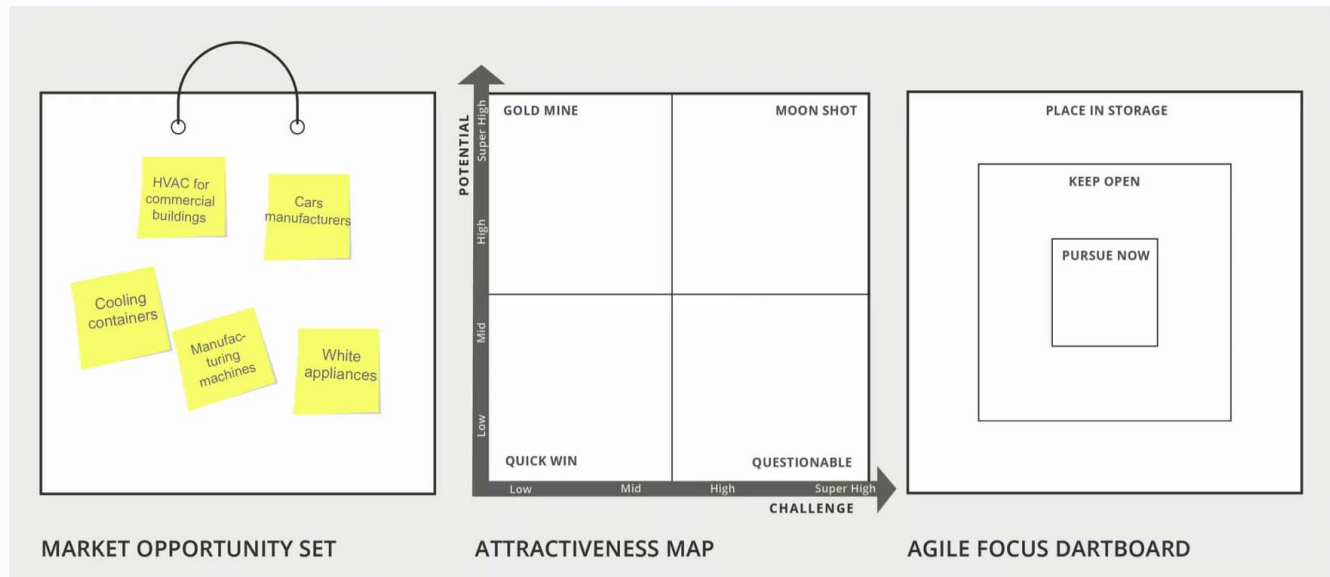
Notes

Summary



2m 00s

Augury's Market Opportunity Set



Which markets to play in?

Recall that their market opportunity set included five different opportunities- heating, ventilation, and air conditioning in commercial buildings, manufacturing lines in factories, cooling containers for shipment companies, car makers, and white appliance manufacturers. Their main challenge was to distinguish between the options and discover which one is most valuable. In the previous videos, we showed in details how they evaluate one market opportunity in their set- heating, ventilation, and air conditioning systems in commercial buildings.

Notes

Summary





WORKSHEET 2

MARKET OPPORTUNITY EVALUATION

NAME Augury

DATE



Use this worksheet for every market opportunity you would like to evaluate.



Market Opportunity: HVAC for commercial buildings

POTENTIAL

LOW MID **HIGH** SUPER HIGH

COMPELLING REASON TO BUY

Unmet need
Effective solution
Better than current solutionsLOW MID **HIGH** SUPER HIGH

MARKET VOLUME

Current market size
Expected growthLOW MID **HIGH** SUPER HIGH

ECONOMIC VIABILITY

Margins (value vs. cost)
Customers' ability to pay
Customer stickiness

CHALLENGE

LOW MID **HIGH** SUPER HIGH

IMPLEMENTATION OBSTACLES

Product development difficulties
Sales and distribution difficulties
Funding challengesLOW **MID** HIGH SUPER HIGH

TIME TO REVENUE

Development time
Time between product and market readiness
Length of sale cycleLOW **MID** HIGH SUPER HIGH

EXTERNAL RISKS

Competitive threat
3rd party dependencies
Barriers to adoption

OVERALL POTENTIAL

LOW MID **HIGH** SUPER HIGH

OVERALL CHALLENGE

LOW **MID** HIGH SUPER HIGH

Use the overall ratings to situate each market opportunity on the Attractiveness Map.

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Which markets to play in?



The evaluation of this market opportunity resulted in an overall rating of high potential and mid challenge.

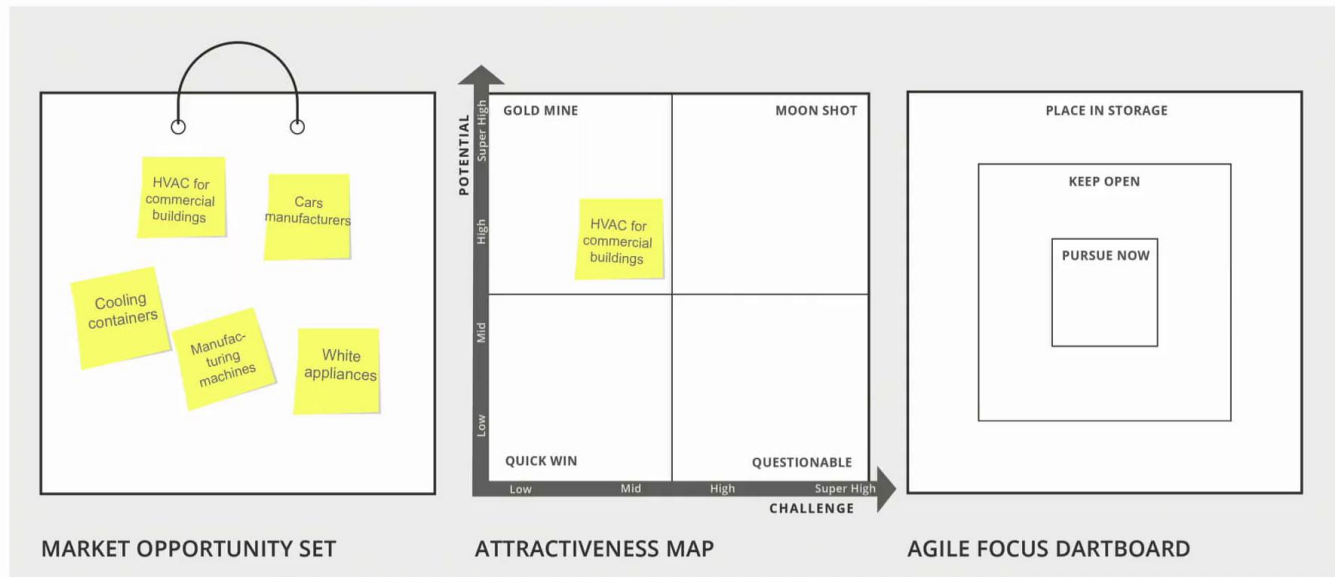
Notes

Summary



2m 52s

Augury's Market Opportunity Set



Which markets to play in?

Hence, looking at the attractiveness map, it is located in the desirable quarter that we term goldmine with relatively high potential and low challenge but Augury had for other market opportunities that they wanted to evaluate before making such an important decision. Let's quickly go over them.

Notes

Summary



3m 01s

2

WORKSHEET 2

MARKET OPPORTUNITY EVALUATION

NAME Augury

DATE

EPFL
ÉCOLE POLYTECHNIQUE
FÉDÉRALE DE LAUSANNE

Use this worksheet for every market opportunity you would like to evaluate.

Market Opportunity: White appliances

POTENTIAL

LOW MID HIGH SUPER HIGH

COMPPELLING REASON TO BUY

Unmet need

Effective solution

Better than current solutions

LOW MID HIGH SUPER HIGH

MARKET VOLUME

Current market size

Expected growth

LOW MID HIGH SUPER HIGH

ECONOMIC VIABILITY

Margins (value vs. cost)

Customers' ability to pay

Customer stickiness

LOW MID HIGH SUPER HIGH

OVERALL POTENTIAL

CHALLENGE

LOW MID HIGH SUPER HIGH

IMPLEMENTATION OBSTACLES

Product development difficulties

Sales and distribution difficulties

Funding challenges

LOW MID HIGH SUPER HIGH

TIME TO REVENUE

Development time

Time between product and market readiness

Length of sale cycle

LOW MID HIGH SUPER HIGH

EXTERNAL RISKS

Competitive threat

3rd party dependencies

Barriers to adoption

LOW MID HIGH SUPER HIGH

OVERALL CHALLENGE

Use the overall ratings to situate each market opportunity on the Attractiveness Map.

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Which markets to play in?

The first one was predictive maintenance for manufacturing lines in different factories. Manufacturers can benefit greatly from preventing catastrophic failures therefore decreasing downtime and saving energy and operational costs. However, it turns out that every production line is unique and requires a great deal of customization so overall this was an opportunity with high potential but also high challenge. The second market opportunity was international freight companies with cooling containers. Analysis showed that this market had mid level of potential especially since the value of predictive maintenance was not big enough. The challenges, however, were manageable and were rated as mid. The third option was white appliances. Augury believed that once the internet will be embedded in these appliances, they could offer manufacturers to install device in these appliances. Although the compelling reason to buy is not extremely high because the cost of a breakdown is relatively low, the market volume is huge and economically worthwhile so the overall potential is rated as high. However, the market was just not ready yet for that type of offering so time to revenue and external risks were super high resulting in a high challenge level.

Notes

Summary

3m 24s

Week 3 - How to evaluate your market opportunities

10 of 15

2

WORKSHEET 2

MARKET OPPORTUNITY EVALUATION

NAME

Augury

 DATE



ÉCOLE POLYTECHNIQUE
FÉDÉRALE DE LAUSANNE

Use this worksheet for every market opportunity you would like to evaluate.


Market Opportunity: **Car manufacturers**

POTENTIAL



LOW MID HIGH **SUPER HIGH**

COMPELLING REASON TO BUY
Unmet need
Effective solution
Better than current solutions



LOW MID HIGH **SUPER HIGH**

MARKET VOLUME
Current market size
Expected growth



LOW MID HIGH **SUPER HIGH**

ECONOMIC VIABILITY
Margins (value vs. cost)
Customers' ability to pay
Customer stickiness

OVERALL POTENTIAL

LOW MID HIGH **SUPER HIGH**



CHALLENGE



LOW MID HIGH **SUPER HIGH**

IMPLEMENTATION OBSTACLES
Product development difficulties
Sales and distribution difficulties
Funding challenges



LOW MID HIGH **SUPER HIGH**

TIME TO REVENUE
Development time
Time between product and market readiness
Length of sale cycle



LOW MID HIGH **SUPER HIGH**

EXTERNAL RISKS
Competitive threat
3rd party dependencies
Barriers to adoption

OVERALL CHALLENGE

LOW MID HIGH **SUPER HIGH**




Use the overall ratings to situate each market opportunity on the Attractiveness Map.

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Which markets to play in?

Lastly, Augury's founders wanted to check the opportunity to offer predictive maintenance capabilities for cars by offering Augury insight to car makers. This market opportunity had a super high potential but also entailed super high challenges especially due to the implementation obstacle and extremely long time to revenues.

Notes

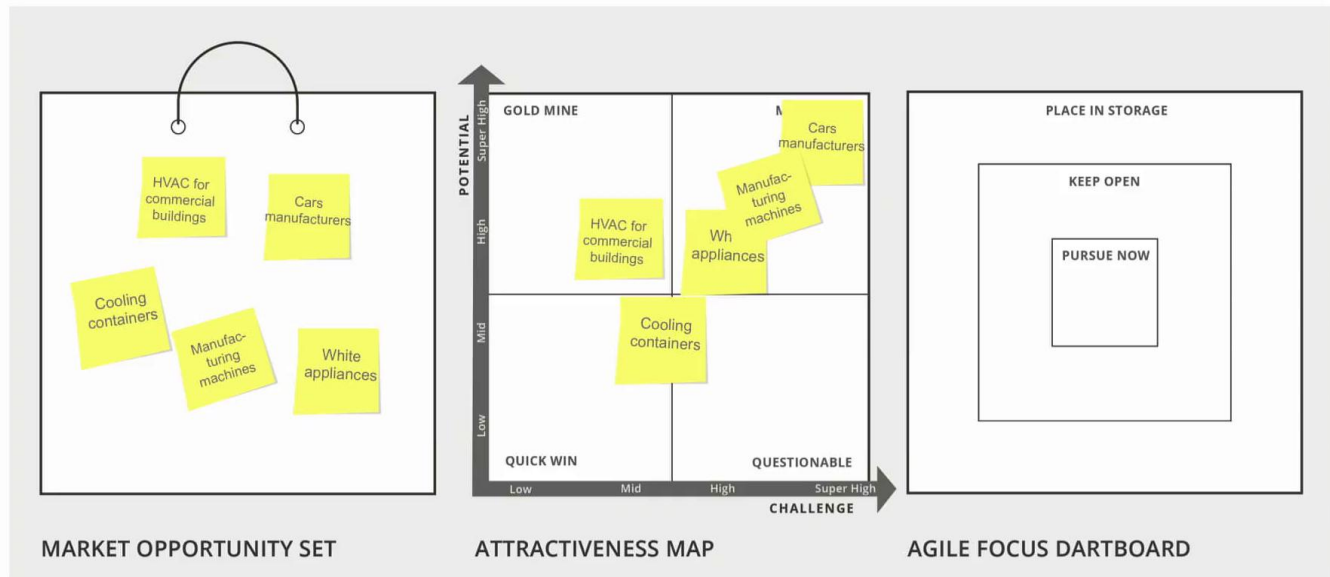
Summary

5m 03s

3.4 - The outcome- your Attractiveness Map

11 of 15

Augury's Market Opportunity Set



Which markets to play in?

So overall the learning and the evaluation process that Augury's team engaged in can now be summarized visually with the attractiveness map. For example, you can see the market for car makers high into the right because it had super high potential and super high challenge. Take a look at the map now and see yourself how this visual helps you to grasp the value of these different opportunities and to distinguish between them.

Notes

Summary



5m 33s

What Can We Learn from the Attractiveness Map



Analyzing each individual market opportunity

Analyzing the set of market opportunities

Choosing a preferred market opportunity

Which markets to play in?

So what can we actually learn from the attractiveness map. The map is designed to help you in making your optimal choice of market opportunities. As highlighted, it helps you to understand each opportunity in and of itself and in relation to other opportunities. It can therefore offer vital insights on the possibilities for growth. First and foremost you should use the map for analyzing each individual market opportunity. As you look at the position of each market opportunity individually you can better grasp its downsides and its upsides and understand the trade-offs that it bears. Second, you should use it for analyzing your full set of market opportunities. Looking at the bigger picture, the map will show you how superior or inferior an opportunity is relative to others and how your opportunities are spread across the different quarters. While highly attractive market opportunities represent great target market options, variety across quarters is also desirable because it allows you to balance the downsides of your primary market opportunity by keeping other options open. Last but not least, you should use the map for choosing a preferred market opportunity.

Notes

Summary



6m 03s

What Can We Learn from the Attractiveness Map

Analyzing each individual market opportunity

Analyzing the set of market opportunities

Choosing a preferred market opportunity

Which markets to play in?

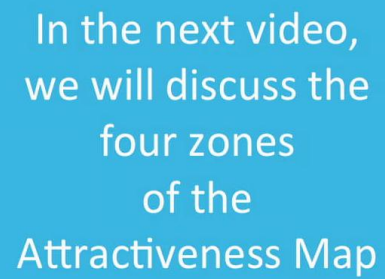
By zooming in on each individual market opportunity and then zooming out on the whole set of options, you will obtain important insights that will allow you to choose your primary market opportunity- the one that you plan to pursue with full force. This choice is actually the first step in building your agile focus strategy as we will explain in week four.

Notes

Summary



7m 30s



Now it's time to move to the next video to understand what the four quarters of the attractiveness map actually means for you.

[illegible]

Summary



