

Re-cap: a smart market opportunity strategy



Consider two major aspects:

WHAT?

What are the most attractive market opportunities that you should focus on?

HOW?

How can you focus and stay flexible, agile and open-minded at the same time?

Which markets to play in?



So, the design of your agile focus strategy relies on the one hand on deciding what is your primary market opportunity? But on the other hand the agility comes into play once you're deciding on other options that you keep open you know? These are backup options these could be growth option and they provide you with the flexibility to move into other directions, should the need or should the possibility arise you know? So, we are looking at an addition here to your focal opportunity that affords you that allows you to become more agile. Stay open minded at the same time because you're not focusing, so narrowly on this one little option that you had in mind, this narrow option that you may have had in mind but you think more broadly.

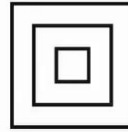
Notes

Summary



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The Agile Focus Strategy



Balancing the tension
between focus and flexibility,
by consciously keeping other
opportunities open.

Which markets to play in?

Notes

Summary



0m 52s

Keeping options open...What does it mean?

Relatively low investments that will make your firm more robust to change, without losing your focus.

For example:

- ✓ Develop a modularized technology that can be reconfigured more easily
- ✓ Cast a wider Intellectual Property net
- ✓ Pick a brand name that would lend itself for redirection, etc.

Which markets to play in?

Okay, so ultimately this will help you mentioned the tension that we discussed between focus and flexibility, but what does it mean to keep options open there are a couple of examples that I list here on the slide you know? As in keeping options open in terms of this real options logic that we pointed out, will make your firm more robust to change. That's the idea without losing focus and also, for example, you could develop more modularized technology, and because it's modularized it can be reconfigured more easily so that you create products for other types of markets. Or you could cast a wider intellectual property net, or you could pick a brand name that would lend itself more easily for redirection because; it's broader than we had had in the psych sample like this in the very first segments of the smoke. But these are all very important decision dimensions that shape what your venture, what your innovation project is all about and keep an option open means that you are thinking ahead about thinking ahead of time about these important dimension. So, hey maybe by considering these other options these back up options, these growth options today; we can create an organization that is more nimble more efficient in changing directions over time.

Notes

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Keeping options open...What does it mean?

Relatively low investments that will make your firm more robust to change, without losing your focus.

For example:

- ✓ Develop a modularized technology that can be reconfigured more easily
- ✓ Cast a wider Intellectual Property net
- ✓ Pick a brand name that would lend itself for redirection, etc.

In short, develop your resources and capabilities in a way that allows for greater flexibility down the road.

Which markets to play in?

So, in short the take away is develop your resource and capabilities in a way that allows for greater flexibility down the road you know? So, you manage with some foresight as much foresight as you can possibly have in a world of uncertainty.

Notes

Summary



2m 22s

Creating a smart portfolio

Need to keep open at least one Backup option and one Growth option

A Backup Option is an attractive market opportunity that does not share the same major risks of your Primary Market Opportunity.

It allows you to change direction over time, if necessary.



It answers the question:

If we are not successful - what shall we do next?



Which markets to play in?



Creating a smart portfolio actually means that you pick at least one backup option and one growth option, a backup option is an option that you are potentially pursuing if things do not go well, it's an option that does not share major risks with your primary market opportunity, and you see the logic embedded in this already and how I explain it because, your back up option does not share the risks with your significant risk, with your primary market opportunity what does this mean? It means in case your primary market opportunity doesn't work out well then you're back up option is still alive and kicking you know? Because; it does not share this risk with the primary market opportunity so, in essence, a backup option for you isn't Plan "B" that allows redirection and it comes into play in the case, where your primary market opportunity should not be one that leads to success.

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2m 38s

Creating a smart portfolio

Need to keep open at least one Backup option and one Growth option

A Growth Option is an attractive market opportunity that allows you to create additional value over time.



It answers the question:

If we are successful - what shall we do next?



Which markets to play in?



A growth option has a different characteristic; a growth option is an attractive market opportunity that allows you to create additional value over time. So, it's really about diversifying into other domains over time and this is creating a very interesting growth path potential growth path for your venture because you're not a one-trick pony, but you can ultimately say hey we have these other types of diversification. Growth step in the future this just makes us a much more interesting type of innovation project, or venture, so what does the growth option mean? It means if we are successful what is our next step? What shall we do next?

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Summary

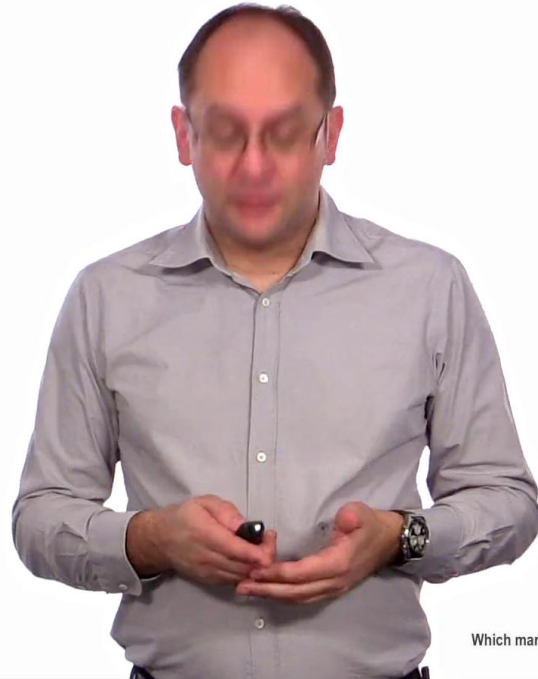


3m 39s

Creating a smart portfolio

Backup and Growth options should ideally be closely related to your Primary Market Opportunity.

Product & market relatedness will allow you to leverage your existing resources, capabilities and relationships – thereby increasing your value creation and balancing your risk with *minimum effort*.



Which markets to play in?



So this is a quite a critical question that begs for an answer as well so creating a smart portfolio of backup and of growth options has another important dimension to it. And the main dimension that we look at here is relatedness of these options or opportunities why? Because; once there's product and market relatedness, you can share your resources, your capabilities, your networks across these different opportunities and this is a straight forward implication. You are more efficient if you're ultimately exploiting these other options as well because you don't have to build them a new, they are already there or they are closely related, so you can piggyback on these already existing resources capabilities and networks thereby creating more value, with minimal effort well also minimal cognitive effort.

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Designing your Agile Focus Strategy

You can:



Keep your backup and growth options open, or



Decide to pursue them now, parallel to your Primary Market Opportunity.

This investment decision depends on the additional effort that is required for pursuing the options, and on how critical they are for your success.



Which markets to play in?



Once you decide on your agile focus strategy, you can decide on whether these backup or growth options should be kept open, or maybe you can even pursue them in parallel with your primary market opportunity now. This is of course an important a very fundamental decision, parallel pursuit of opportunities means that you are allocating attention on multiple targets, which by definition means you are spreading yourself more thinly across these two options. But if they are closely related this might be actually durable because they are closely related that means they share resources, capabilities, and other elements, networks and they require less attention from you. Compared to a situation where these are unrelated and also in case they are have high product and market relatedness, you could even think about pursuing your primary market opportunity in parallel for instance with the growth option and have two focal opportunities.

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Summary



A smart portfolio, which includes Backup and Growth options, is essential for setting a strategy that balances focus and flexibility and enhances your chances for success!

Next, we will show you how to examine which market opportunities are suitable as Backup or Growth options.

Which markets to play in?

So, I timidly-- a smart portfolio that contains both back up and growth options is your key asset, for having an agile approach to venture creation and innovation. It is one that is essential in a time of uncertainty and one that is essential in terms of being efficient in the exploiting, what you have in store and tops of opportunities. Then hence it's your chances for success next we're gonna explain to you how to examine your market opportunities, to determine which are good backup options and which are good growth options.

Notes

Summary



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