

THE IDEA FILE

VOL 1 NO. 2

Innovative Ideas To Grow Your Business

Specializing in Construction - Mining & Aggregate - Environmental & Recycling

Published By



Strategic Planning
Sales Development
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Research
Marketing
International Expansion

RESEARCH UNLOCKS OPPORTUNITY IN A SLOWDOWN

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All companies have been affected in some way by the downturn in the economy. The biggest question is: how will your company handle the slowdown?

One of the best ways to beat the slowdown is to uncover new opportunities that expand your customer base, such as niche markets, complementary products, possible acquisitions and/or international expansion. Historically, companies that focus outward during hard times have performed better in the long run. Since these companies never lose momentum or key personnel, they are more responsive when demand picks up and can provide better delivery and service.



Evaluating which opportunities are best for the company requires proper research. It is nice to know how big a market is and who the players are, but statistics alone can't provide a complete picture. The proper research is key to unlocking these new opportunities. Companies need to uncover street-level information for the industry, market or country that tells:

- If it is a mature market and if there is room for another player
- The long-term outlook for the market
- Key emerging trends, products or technologies that will affect the future
- The primary channels used to sell goods and services, and any special requirements needed to be successful within these channels
- The product price points and standard profit margins for companies and dealers in the industry
- Any trade barriers that will stop you from entering the market
- What the competitors may do to maintain their position in the market, and who the best competitors are to take market share from
- What the best market strategy could be

Without the proper research, a company lacks direction and will make decisions based on assumptions and hearsay versus fact. It may spend money entering markets with below-average profit and little market opportunity. Good research helps a company determine how long it will take to become successful in the new industry, market or country, and will help align marketing, sales and the channel—yielding greater profit.

Street-Level Research

True street-level research goes beyond statistics and information received from standard check box or rating surveys, either completed by the field sales team or sales channels. The goal of street-level research is to have open discussions with the dealers, customers and other industry experts—rather than just asking questions. This interaction allows both parties to add to the conversation and provides several deeper levels of information. When done correctly, street-level research not only helps the company understand the industry, market or country, but once completed and analyzed, the path to successful entry becomes clear.

Here are some ideas of the people that should be contacted when conducting street-level research.

- Dealer principals and sales managers can provide good input on:
 - Evaluating the product features and what affects their purchasing decisions
 - What sales and financial programs and support it would take for them to successfully carry your products
 - What profit margins they need versus what customers are willing to pay for such products or services
 - What they feel affects their customer's buying decisions
- For service and parts-related opportunities, the dealer's parts and shop manager should be contacted
- Contractors add real-world input to the research since they are the ones using the equipment in the field
- Magazine editors of key industry or country specific publications can provide a good overview and give input on the long-term growth opportunities
- Industry events such as trade shows and conferences provide a good non-threatening way to talk to different industry people to help gain additional information
- If you have any vendors that sell into these industries or to your competitors, they might be able to share current trends and/or problems that are happening in the industry

The people contacted should be a mix of those listed above, and should be from a broad geographical area to help uncover any local or regional differences or preferences.

The most valuable information will come from a well-trained staff that is given clear objectives and parameters in relationship to the industry, your company and its products. They can drill down and ask more valuable questions. Some competitive dealers and customers may not open up to your company's staff because they are

afraid of hurting the relationship with their current supplier. This is when it is good to have a knowledgeable third party conduct the street-level research. All dealers and customers tend to open up more to a third party because they typically feel safer in sharing details and thoughts on sensitive issues.

Once you have conducted street-level research properly, you can be confident that your company has all the information it needs to make a well-informed decision about any new opportunity—and it will know how to enter the industry, market or country successfully. Don't let the economic slowdown get the best of your company.



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