



Bulletin

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Planning Starts with Rigorous, Realistic Analysis

Did you miss it? December was National Business Plan month. But if you got sidetracked by year-end demands and holiday disruptions, don't worry. You can write a great plan right now and still have virtually the entire year to execute it successfully.

A business plan can be as complex and detailed as you prefer (or have time to develop), but even if it is a brief, basic document it should include a clear statement of your objectives for the coming year (or longer) and a thoughtful analysis of what needs to be done to reach those objectives, the steps you must take to achieve them, and a timeline for benchmarking how well you are succeeding month by month.

As Idealliance Chief Economist Andrew Paparozzi pointed out in the *Idealliance State of the Industry Report, 15th*

Edition, there are plenty of opportunities in our industry, but we must carefully plan which we want to explore: "Our gamut of opportunity continues to expand, adding both new printing technologies and new services to complement print," he writes. "But so does the competition for those opportunities. Which should we pursue? Which best fit my company's resources, capabilities, and circumstances? And how do we maximize each opportunity?"

How to determine which new opportunities to pursue—or which current products or services to sunset? Idealliance suggests using two tools that can add clarity and discipline to the planning process as you assess the broad spectrum of potential opportunities: the **Value Proposition Spectrum** and **Opportunity Evaluation Matrix**.

Know Yourself

The Value Proposition Spectrum (at left) is a very simple tool that asks you to think about how you define your company—in terms of "Your Capabilities" or "Your Contributions to Your Clients' Success." Then determine whether you want to stay where you are or move closer to your clients.

The Opportunity Evaluation Matrix, described in detail in the *State of the Industry Report, 14th Edition*, is a way to look at potential product or service opportunities from six different perspectives:

- **Customer Criteria**—Have we identified potential customers, do customers have a pressing need for it, is there a substantial enough demand to justify costs and risks?
- **Product Criteria**—Does it satisfy a pressing need, is it easy for customers to use, can we communicate its value clearly?
- **Timing Criteria**—Are general business conditions favorable, are we getting into it at the right time, has it become a commodity?
- **Finance Criteria**—What will it cost us to provide, what is the projected cash flow and ROI?
- **Competition Criteria**—What does the competition look like, what will distinguish us from the competition?

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Value Proposition Spectrum			
What is your value proposition? What do you do to get and keep clients?			
Our Capabilities		Our Clients' Success	
The basics: Speed, quality, price, service, reliability, relationships	Single-source provider of services, from creation to distribution. Process or supply chain management that makes the client's life easier	Offering marketing or communications solutions , from printing to mailing, fulfillment, design services, social media, etc.	Helping Clients reach their goals. Helping clients succeed with <i>their</i> clients, seeing if solutions really solve their problems, monitoring and improving results.
How do you define yourself?			
Traditional Definitions —We are a midsize offset and digital sheetfed printer specializing in corporate marketing materials. What we print. How we print. How quickly. At what price.		Marketing or Communications Company that also offers printing. We help clients communicate more effectively with <i>their</i> clients, Print is part of that, but it is not only about print or mailing, or social media. It's about strategic input and solutions.	

Opportunity Evaluation Matrix
Score Opportunities from 5 (Excellent) to 1 (Poor)

Dynamic/Criteria	Opportunity 1	Opportunity 2	Opportunity 3
Customer Criteria			
Clearly defined, established customer base			
Customers have a pressing need			
Sufficient demand			
Product Criteria			
Satisfies customers' pressing need			
Easy for customers to use			
Value proposition can be communicated clearly			
Timing Criteria			
General business conditions favorable			
Time of entry			
Degree of commoditization			
Finance Criteria			
Upfront costs			
Projected cash flow			
Competition Criteria			
What the competition looks like			
Distinguishing ourselves			
Team Criteria			
Expertise required			
Staff integration			
Average Score			

• **Team Criteria**—Do we have the skills required, must we bring in staff, will we be able to integrate new staff into a cohesive team?

Ignore the Buzz

By charting and scoring each factor, we can come up with an overall favorable or unfavorable picture, as well as isolating one or more criteria that should probably keep us from pursuing the potential opportunity.

“If an option has a low score, we pass on it—no matter how much buzz it is creating or how well others seem to be doing with it,” says Paparozzi. “And be wary of options with low scores in even one dynamic. Remember, everything the matrix forces us to examine is important. Very unfavorable conditions in one area can overwhelm favorable conditions in several others.

“Of course, all of this takes time,” he adds. “Rigorous analysis always does. The payoff is much higher odds of identifying true opportunity, or equivalently, of saving the time and money lost by chasing bad fits.”