



# Early Stage Market Development

## The Background

The staff of a newly formed high-tech business were having some difficulties in the very early stages of commercialisation of new products. The company was run largely by research scientists and engineers, with little professional marketing input and the key people in the company had fundamental disagreements about how best to move to the next stage of business development.

The Galbraith Muir Consultancy was initially brought in to advise on marketing strategy, but it was also suggested that interpersonal issues would need to be resolved.

## The Project



The key decision makers in the client company had reached an impasse: those who had previous commercial experience were convinced that they needed market research before they could make any decisions; others pointed out that the final product form had not yet been finalised; all were concerned about protection of their intellectual property.

The first consultancy sessions were directed towards assessing the amount of market and marketing knowledge already in the company, and in understanding the differing approaches of the key individuals. Out of these discussions came an approach which was eventually adopted by the whole team.

The first stage was to carry out a limited market research exercise, directed towards identifying a few customers who would be interested in the product range and, most importantly, had a culture which supported innovation and collaboration. Three potential end-customers, operating in different industries, were identified and researched in depth. Two of those fulfilled the criteria we had set, and well-planned approaches were made to each.

Supported by staff of The Galbraith Muir Consultancy, and protected by non-disclosure agreements and other safeguards, our clients opened discussions with those two companies, and embarked on a short development programme which tailored the new product for the needs of those selected customers. This work showed which features of the new products conferred true benefits and allowed both parties to make an assessment of the value in use of the new products. At the end of the customer-focused development work, our client had a refined product and a much clearer idea of the price that could be achieved.

With further development work and enhanced market understanding, the product sales grew at a rate well in excess of the company's projections – and the internal disputes were largely eliminated.

## If the project had not been carried out....

The market research envisaged by the company would have been largely meaningless, and could have been very expensive indeed.

Without external facilitation, it is unlikely that the differences in approach could have been resolved amicably.

### Recommendations and Actions

Carry out limited market research at an early stage of development

Ensure that all measures have been taken to protect IP – but then talk openly with potential customers

### Benefits

Product refinement is directed towards real customer needs

A proper assessment of the value and cost of the product can be made