

Innovation strategy development process

Michael Lurie, Founder & CEO, Blue Mine Group

Developing a sound strategy is the critical foundation for gaining market traction. The key is to be both complete and efficient.

While most ventures pay lip service to the importance of a good strategy, strategy development is often not well understood or practiced. Too many ventures develop strategy on the fly, or allow the thoughts of the founder or largest investor to dominate.

The best approach is to form a team of key stakeholders (founders, managers, investors) and work together through a relatively structured process to address your primary market, product and channel options. All stakeholders will be best served by applying the “wisdom of the team” to the strategy development process.

Someone needs to be appointed to manage the strategy development process. It is often valuable to have an outsider act as facilitator, to enable all primary stakeholders to focus on the content of the discussion, not the process.

The team should schedule and hold a series of workshops to define and problem solve the key market development issues facing the company. Over a period of several weeks, the team should work through the following types of issues:

1. **Define overall market development goals.** What are we trying to accomplish? What specifically will represent success?
2. **Identify and prioritize target markets.** What are the range of markets we could go after? What are the key demand and competitive characteristics of each market? How do our capabilities match each market? Which is best in terms of market opportunity and our strengths?
3. **Define offering guidelines.** In broad terms, what are the key needs of our target market? What are their options? What are the key benefits we need to

Innovation strategy development process

- offer to meet their needs better than other options? How do we need to be priced? What risks do we need to overcome?
4. **Define channels to market.** What are the range of ways we could reach our target market? What direct and indirect sales channel options are there? What communications options are there? Which of these make best sense in terms of fit with our target market, our offering, and our resources?
 5. **Agree on market development roadmap.** While there needs to be significant flexibility in charting the course over time, having and updating a roadmap will help the management team become aligned and work together to commonly understood and supported goals.

The goal of these sessions is to define the broad guidelines for the venture. This provides a clear framework within which the team can operate, and makes clear what the company is doing, and equally importantly, what the company is not doing.

In addition, selected analyses may be required to gather data and provide fact-based input to the discussions. These might include customer interviews, competitive analysis, channel analysis, and product definition.

The result of this strategy activity is a clear market development plan for the business that ensures consistency across all sales and marketing activities. It is best to summarize the strategy in a short document comprising something like the following sections:

- target markets
- target customers and contacts
- key needs addressed
- competitive options faced
- solution offered
- value proposition and points of differentiation
- key sales and marketing initiatives
- metrics and financial plan

Once an initial strategy framework is developed, you should review and update it with the team every three to six months.

Innovation strategy development process

About the author

Michael Lurie is Founder and CEO of Blue Mine Group in San Diego, CA. Blue Mine Group is an innovation strategy firm specializing in market traction for new products, technologies and lines of business.