



Interactive Workshop: Developing a Targeted Biometrics Market Strategy

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ACUITY

MARKET INTELLIGENCE

bridges the gap between information & insight

Acuity Market Intelligence cuts through the clutter of information overload to provide *technology-neutral* and *vendor-independent* insight, analysis and solutions assessment for emerging technology markets.

Markets Biometrics, ID Management, Authentication

Clients Vendors, Integrators, End Users

Authentec, Ball Aerospace, Biocom, Booz Allen Hamilton ,
CIA, CIC, Datastrip, DOD, Digital Persona, Digimarc , ETRI,
IBM GS, Imagis, Identix, Morpheus, , NIST, TASC, On Guard
Plus, PingID, SAFLINK, SAGEM, SoftPro, TI, Ultra-Scan

Services Executive Briefings, Consulting, Segment
Tracking, Reports, Research, Workshops

Expertise Opportunity Identification & Sizing
Targeted Vertical Solutions Analysis
Technology Adoption & Deployment Evaluations
Sustainable Market Dominance Strategies

Audience & Objectives

Target Audience – Biometrics and ancillary industry executives, sales, marketing and business development professionals responsible for creating and executing strategies to achieve sustainable market dominance.

Participants Objectives:

- Learn fundamental tools and techniques of Acuity Market Intelligence's proprietary MDM© process for identifying, prioritizing and dominating market opportunities.
- Apply MDM© tools and techniques in a real-world market scenario through a interactive group exercise.

Workshop Program

- ☛ **Part I: Lecture** – Introduction and Definition of Acuity's MDM[©] Market Development Model (1:40 – 2:40)
- ☛ **Part II: Group Exercise** – Case Study Evaluation and Development of “Pitch” Presentations (2:40 – 3:15)
- ☛ **Part III: Group Presentation** – Presentation and Group Analysis of Presentations & Wrap-up (3:15 – 4:40)

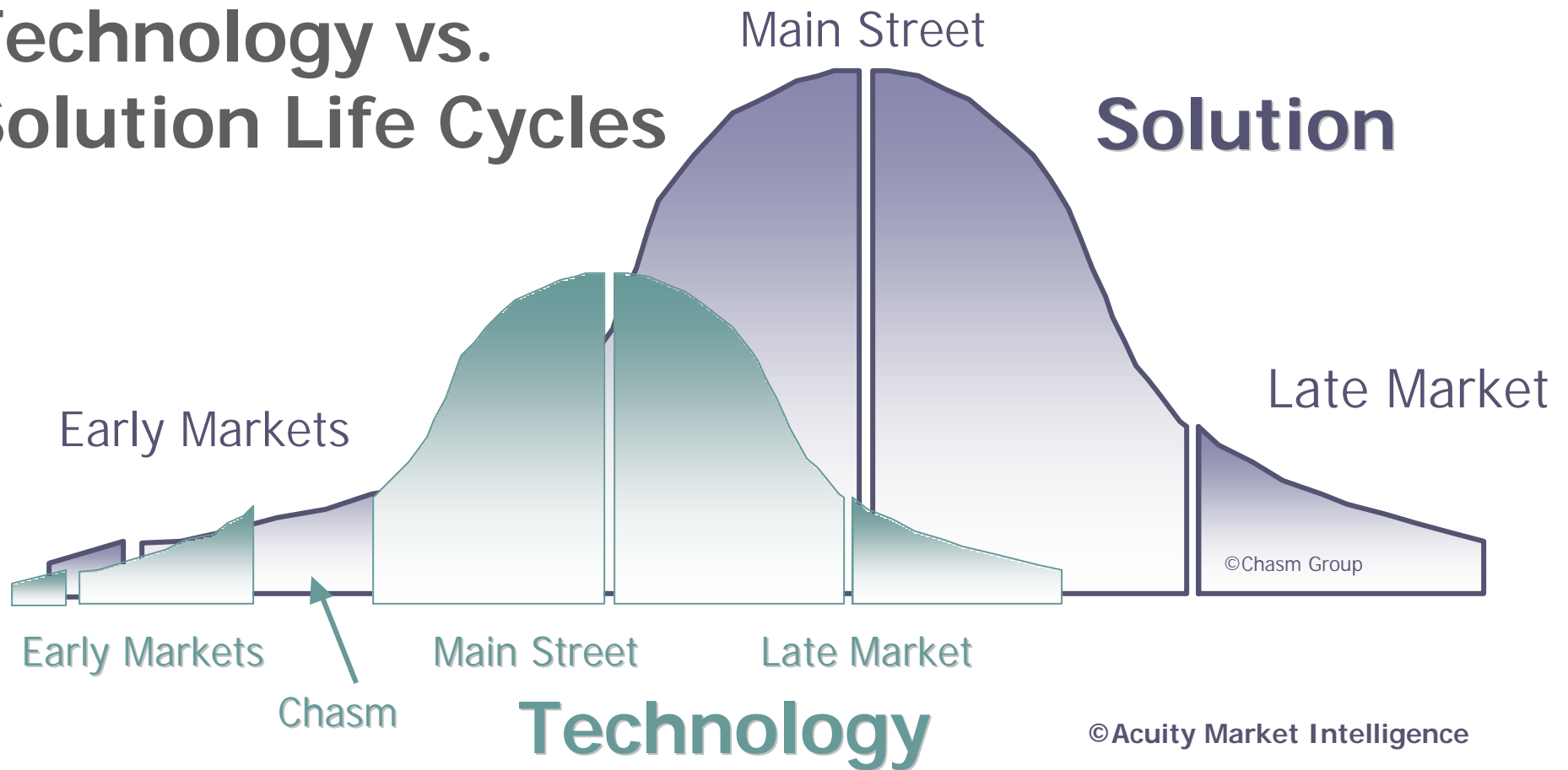
Part I: Lecture Agenda

- Define the TAL/SAL Framework
- Introduce the MDM© Model
- Define Model Phases
- Define Phase Processes and Tools

TAL/SAL Framework

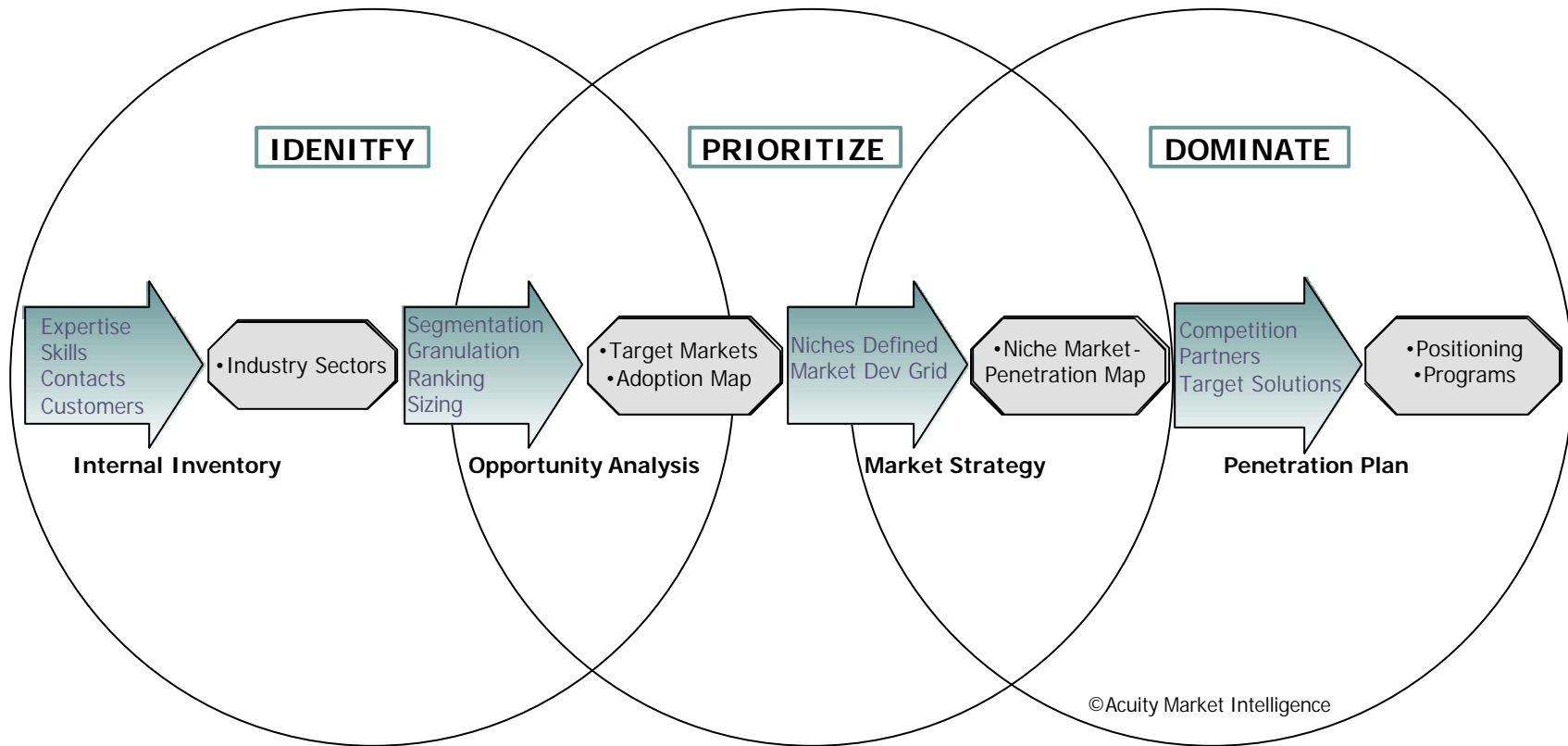
For enabling technologies like biometrics, the **Solution Adoption Lifecycle** hits the Tornado as the **Technology Adoption Lifecycle** peaks in the Mainstream

Technology vs. Solution Life Cycles



Acuity's MDM[©]

Market Development Methodology



MDM Phases

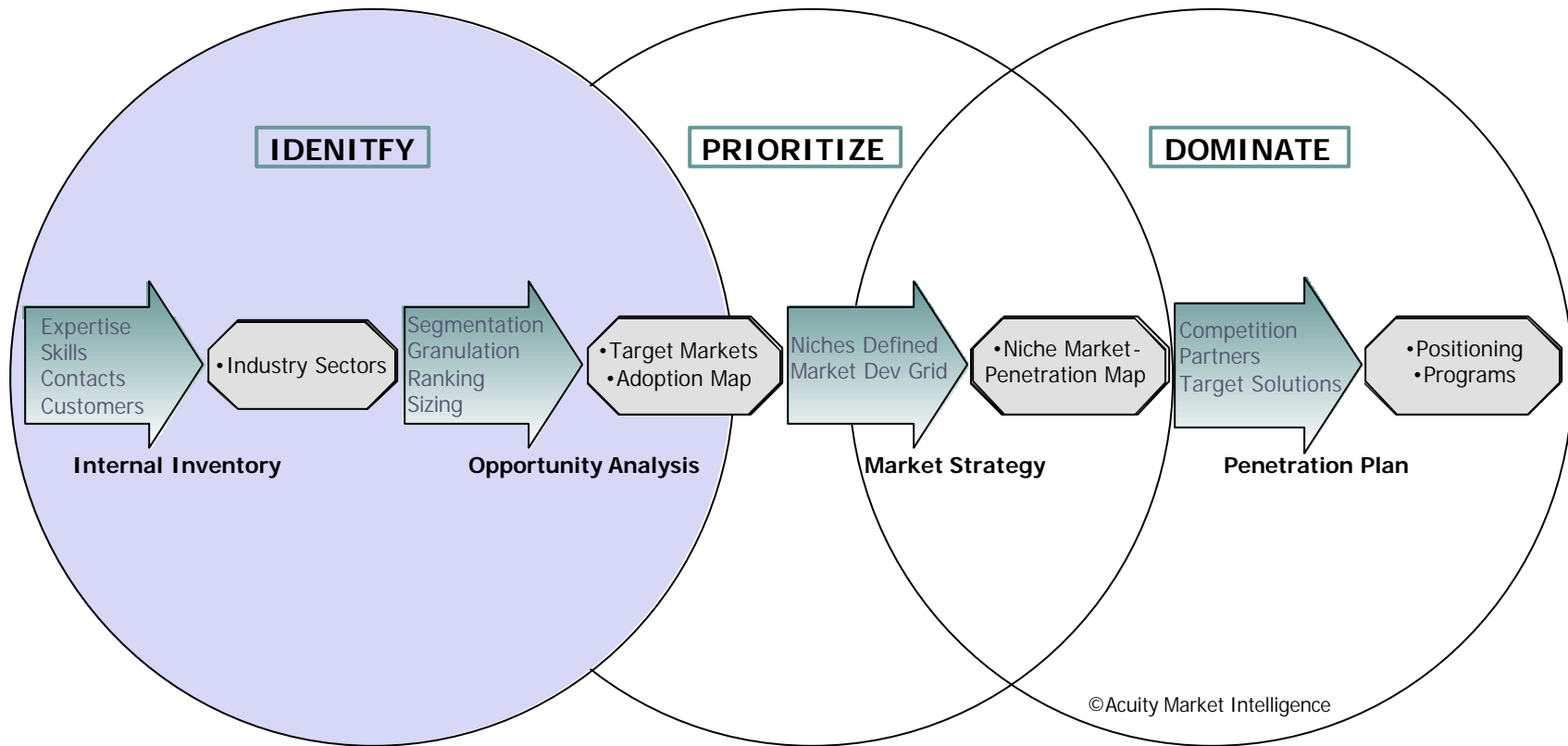
- ☞ **Phase I – Identify**
 - Internal Inventory
 - Opportunity Analysis

- ☞ **Phase II – Prioritize**
 - Opportunity Analysis
 - Market Strategy

- ☞ **Phase III – Dominate**
 - Market Strategy
 - Penetration Plan

Acuity's MDM[©]

Phase I: Identify



Phase I – Identify Internal Inventory

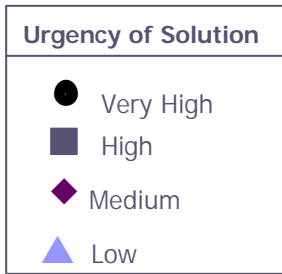
- ☞ Evaluation – Full Day Brainstorm
 - ◆ Skills, Expertise
 - ◆ Industry Knowledge
 - ◆ Industry Contacts
 - ◆ Strategic Relationships
 - ◆ Established & Under Development
 - Technology
 - Products
 - Services
 - ◆ Established Customer Base
- ☞ Recommend Independent Facilitation

Phase I – Identify

Opportunity Analysis

- ☞ Segment Industry Sectors by Applications
- ☞ Create Two Factor Opportunity Grids
 - ◆ initial ranking of sectors
 - ◆ focus on points of pain
 - ◆ driven by range of factors
 - business process issues
 - government and industry regulations
 - failures to adequately serve customers
- ☞ Iterative Process
 - ◆ granulate into vertical markets
 - ◆ additional two factor grids

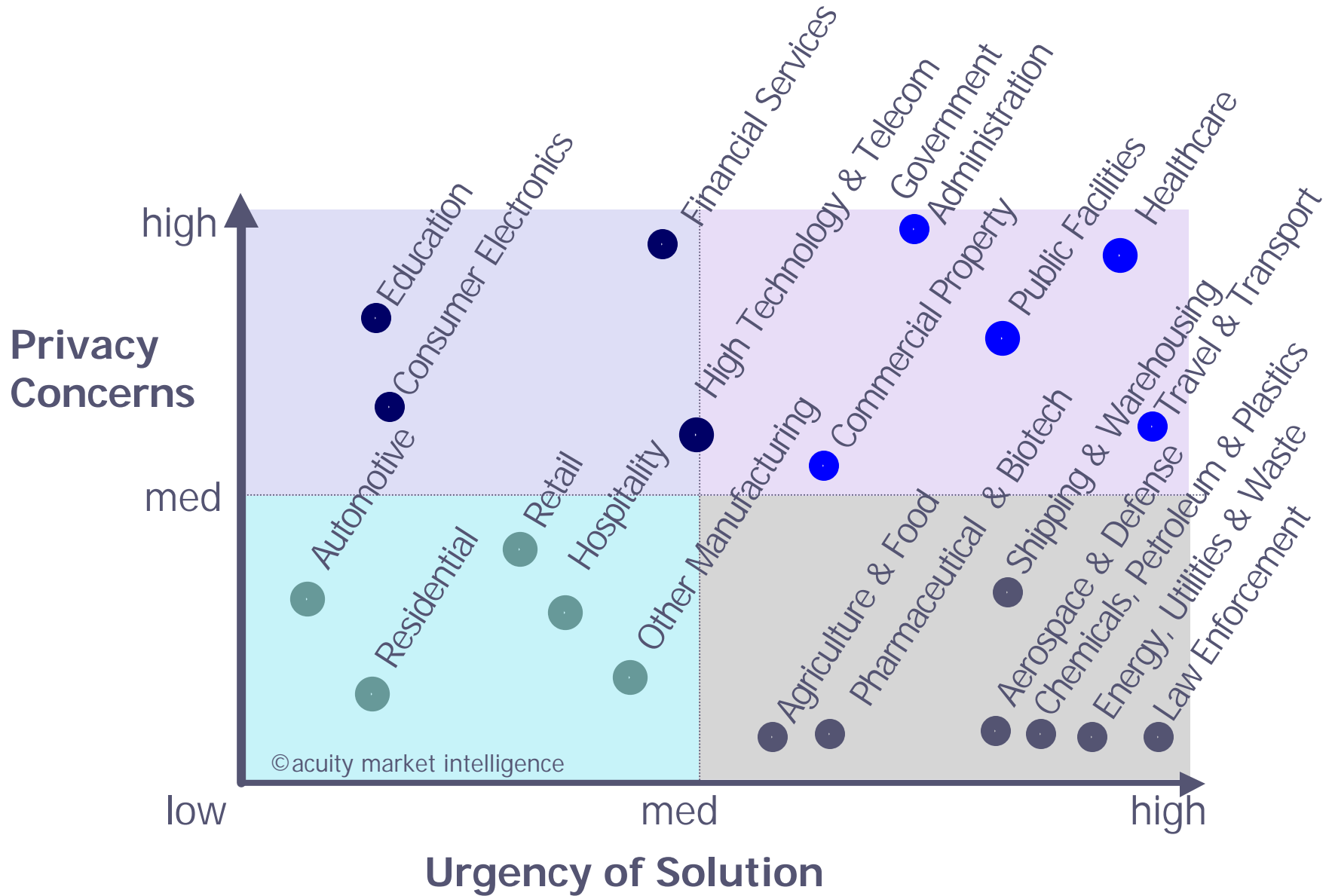
Industry Sector Segmentation



	Government Administration	Law Enforcement	Aerospace & Defense	Financial Services	Healthcare	Hospitality	Public Facilities	Travel & Transportation	Shipping & Warehousing	Energy, Utilities & Waste	Chemicals, Petroleum & Waste	Pharmaceutical & Biotech	Agriculture & Food	Education	High Technology	Other Technology & Telecom	Commercial Manufacturing	Retail	Automotive	Consumer Electronics	Residential
Physical Access	●	●	●	●	■	■	●	●	●	●	●	●	■	■	■	■	◆	▲	▲	▲	
Logical Access																					
Secure Data personal, corporate, public	●	●	●	●	●	■	■	●	●	●	●	●	■	●	■	■	◆	◆	◆	◆	
Financial Transactions POS, ATM, e-commerce, gov't disbursements	■	◆	◆	■	●	◆	◆	■	■	■	●	■	■	◆	◆	■	●	■	▲	■	◆
Identity Confirmation Voter, Benefits, DMV, Drivers License background check	●	●	●	■	■	■	■	●	■	■	■	■	■	◆	◆	◆	■	▲	▲	▲	-
Time & Attendance	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	▲	◆	◆	▲	◆	▲	▲	-
Surveillance public & private	●	●	■	■	■	◆	●	●	■	●	●	●	●	■	◆	◆	■	■	▲	▲	▲

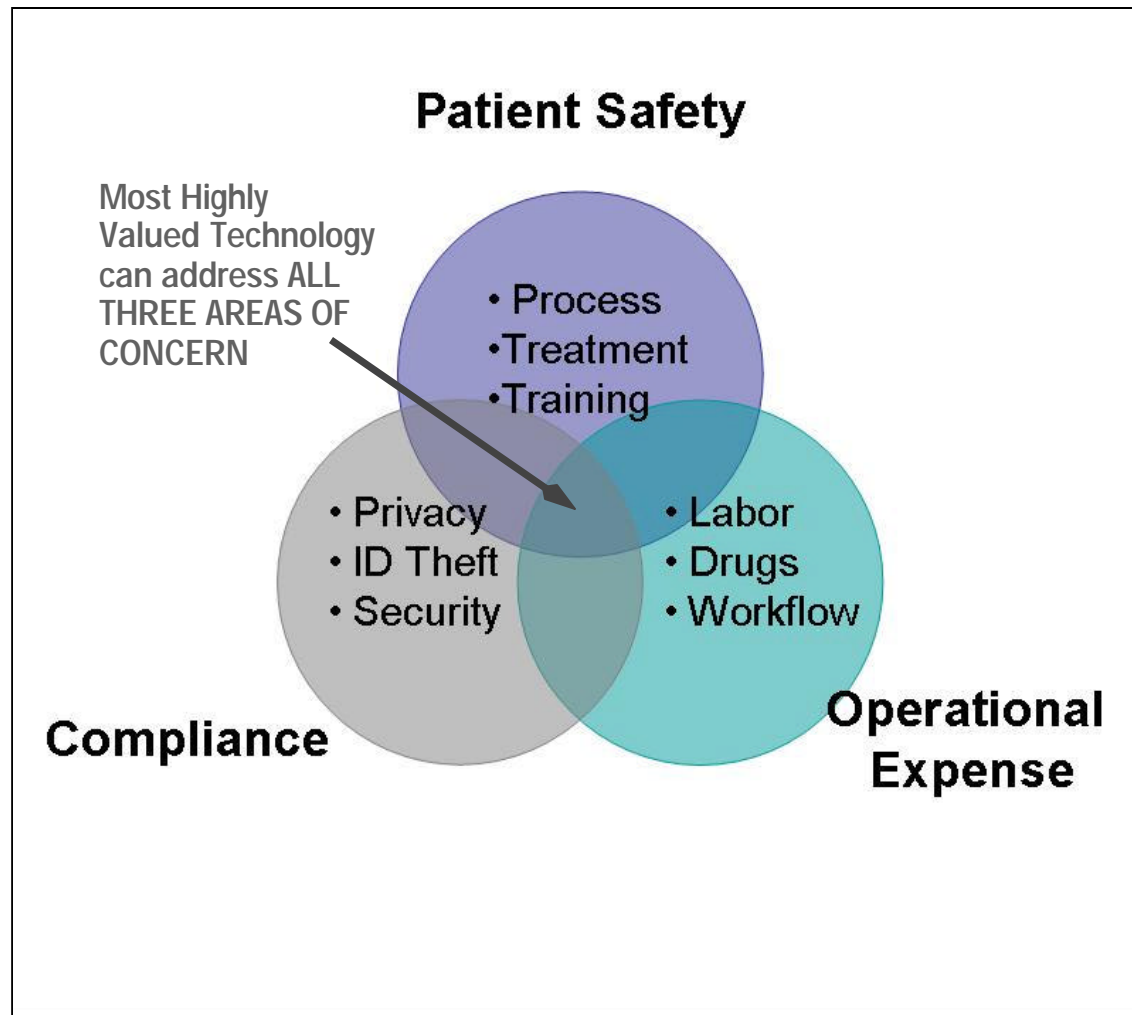
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Opportunity Grid



Point of Pain: Level I

Healthcare Technology Drivers



Sector Granulation: Level I

Financial Services

By Interacting Mode

Priority of Solution	
●	Very High
■	High
◆	Medium
▲	Low

Branch/Office

ATM/Kiosk

POS Terminal

Electronic/Online

Phone

	Bank	Savings & Loans	Credit Union	Securities	Credit Card	Transaction Processing	Insurance	Mortgage
Customer	■	■	■	◆	-	-	■	■
Employee	●	●	●	●	●	●	●	●
Customer	■	■	■	◆	◆	-	-	-
Employee	■	■	■	-	-	-	-	-
Customer	-	-	-	-	●	●	-	-
Employee	-	-	-	-	-	-	-	-
Customer	●	●	●	●	●	●	●	●
Employee	●	●	●	●	●	●	●	●
Customer	●	■	●	●	■	-	■	◆
Employee	◆	◆	◆	◆	■	▲	▲	◆

Sector Granulation: Level I

Travel & Transportation

Urgency of Solution	
●	Very High
■	High
◆	Medium
▲	Low

Physical Access
employee, crew, suppliers

Logical Access
Secure Data
personal, corporate, public

Financial Transactions
purchase tickets

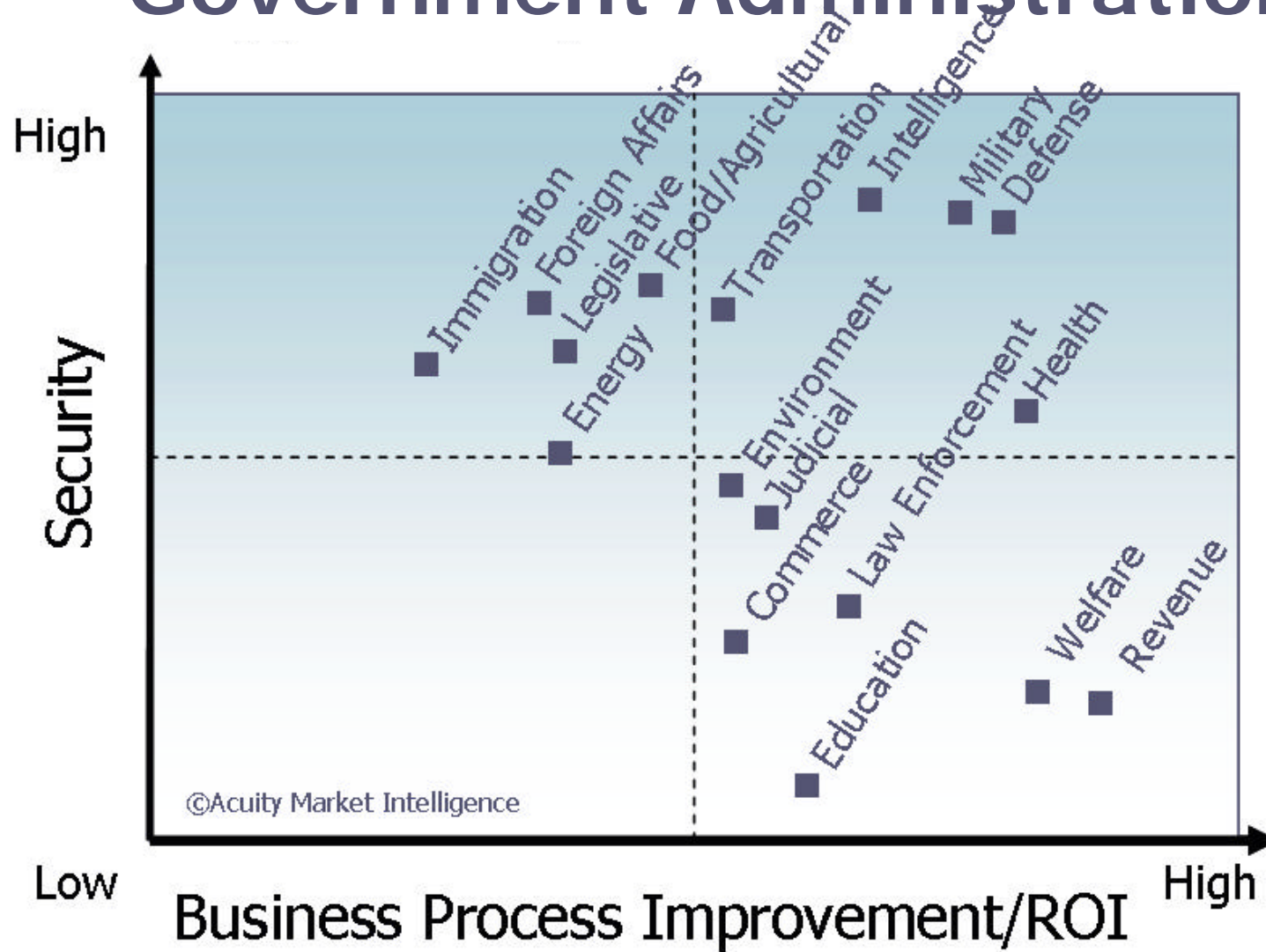
Identity Confirmation
passport, trusted traveler

Time & Attendance

Surveillance
public, private

	Air	Rail	Ship	Truck	Bus	Auto	Travel Services
Physical Access	●	●	●	●	●	●	◆
Logical Access	●	●	●	●	■	■	●
Financial Transactions	●	◆	◆	◆	▲	◆	■
Identity Confirmation	●	●	●	●	■	■	■
Time & Attendance	■	■	■	■	■	■	■
Surveillance	●	●	●	●	■	◆	▲

Opportunity Grid: Level I Government Administration



Sector Granulation: Level II

Financial Services Segments

Generalized Across Market Sectors

Priority of Solution	
●	Very High
■	High
◆	Medium
▲	Low

	Branch/ Office		ATM/Kiosk		POS Terminal		Electronic /Online		Phone	
	C*	E**	C	E	C	E	C	E	C	E
Physical Access	◆	■	-	●	-		-	-	-	-
Logical Access										
Secure Data personal, corporate, public	■	●	■	●	-	-	●	●	■	◆
Financial Transactions POS, ATM, e-commerce	■	●	■	●	●	-	●	●	■	◆
Identity Confirmation										
background check	■	●	-	-	-	-	-	-	-	-
Time & Attendance										
	-	◆	-	-	-	-	-	-	-	-
Surveillance										
public & private	■	■	■	■	-	-	-	-	■	■

*C = Customer, **E = Employee

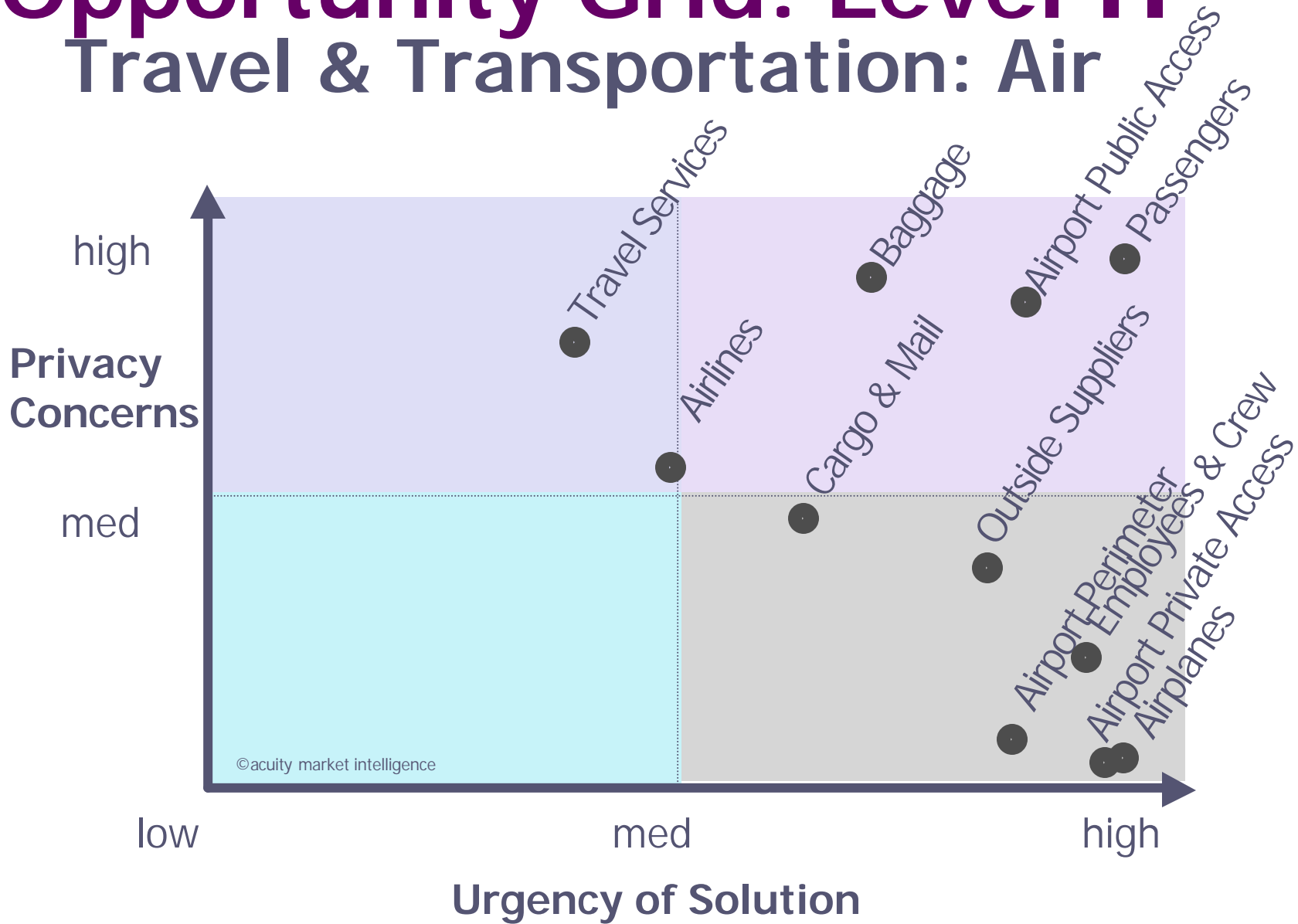
Sector Granulation: Level II

Air Travel & Transport Segments



Opportunity Grid: Level II

Travel & Transportation: Air



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Sector Granulation: Level III

Financial Services Targets

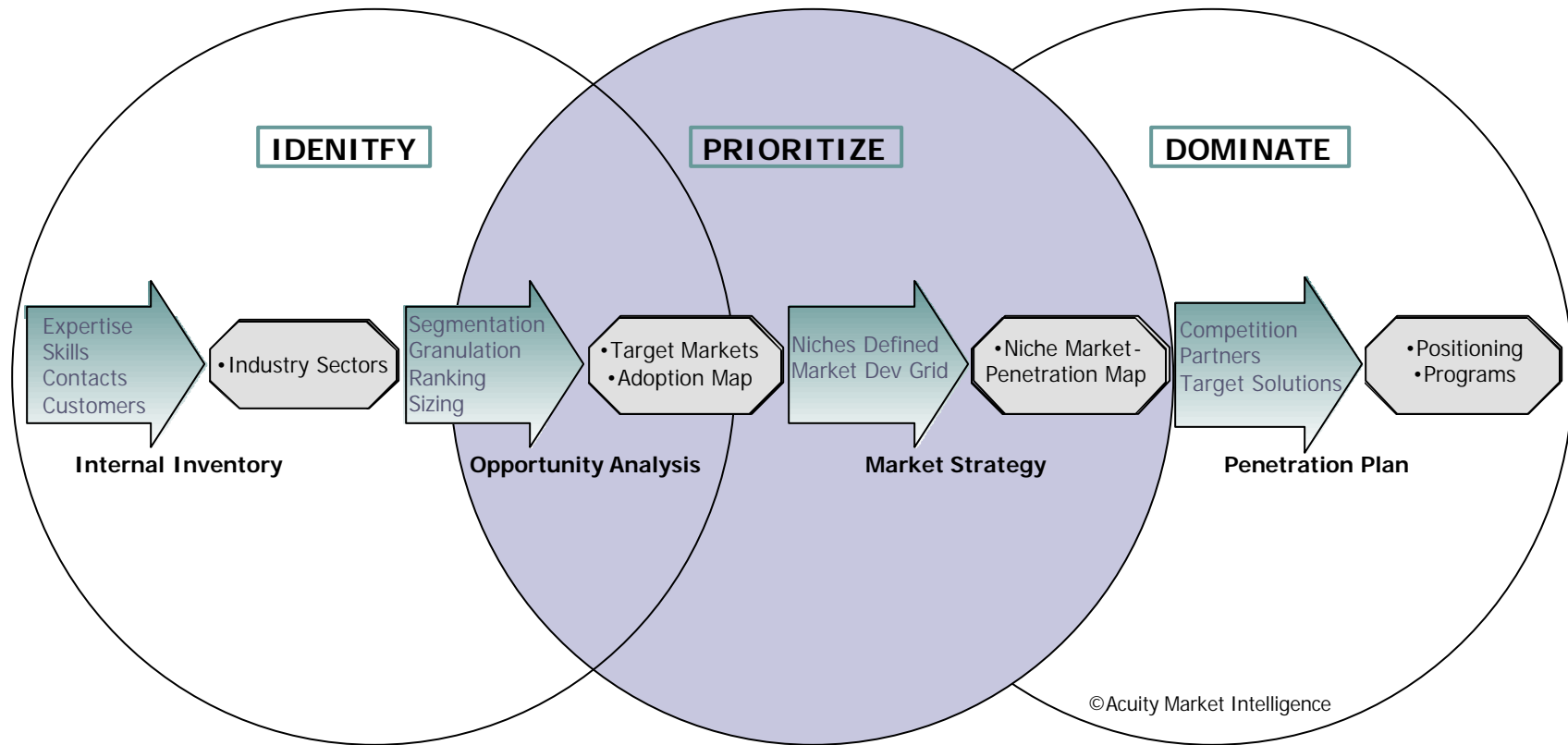
Logical Access Generalized Across Market Sectors

Priority of Solution	
●	Very High
■	High
◆	Medium
▲	Low

	Branch/ Office		ATM/Kiosk		POS Terminal		Electronic /Online		Phone	
	C*	E**	C	E	C	E	C	E	C	E
	Call Center	-	■	-	-	-		-	-	●
Pin/Password Reset	-	●	■	-	-	-	●	●	●	●
SSO	-	●	■	-	●	-	●	●	■	●
Transactions Order, Payment, Transfer, Deposit	●	●	●	-	●	-	●	●	●	●
Account Management Open, Close, Inquiries	●	■	◆	-	-	-	●	●	●	●
Records/Data Access Secure, Sensitive	●	■	■	●	-	-	●	●	●	●
Secure Device Access Laptops, Phones, PDAs,	-	■	-	●	-	-	●	●	-	-
Card Activation Credit, Phone	-	■	▲	-	◆	-	■	■	■	-

Acuity's MDM[©]

Phase II: Prioritize



Phase II – Prioritize

Opportunity Analysis

- ☞ **Top Down Target Market Sizing**
 - based on replacing or augmenting existing business processes and technologies
- ☞ **Adoption Maps**
 - evolution of the application solutions

Target Segment Sizing

Airport Private Access U.S. DOT Data

Airport Type	Number of Airports	Estimated Ave. # Secured Access	Total # of Secured Access Points	Gross Biometric Revenue @ \$1500 per Secured Access
Large hub	31	1000	31,000	\$46,500,000
Medium Hub	35	500	17,500	\$26,250,000
Small Hub	71	100	7,100	\$10,650,000
Non Hub	282	50	14,100	\$21,150,000
TOTAL	419		69,700	\$104,550,000

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Target Segment Sizing

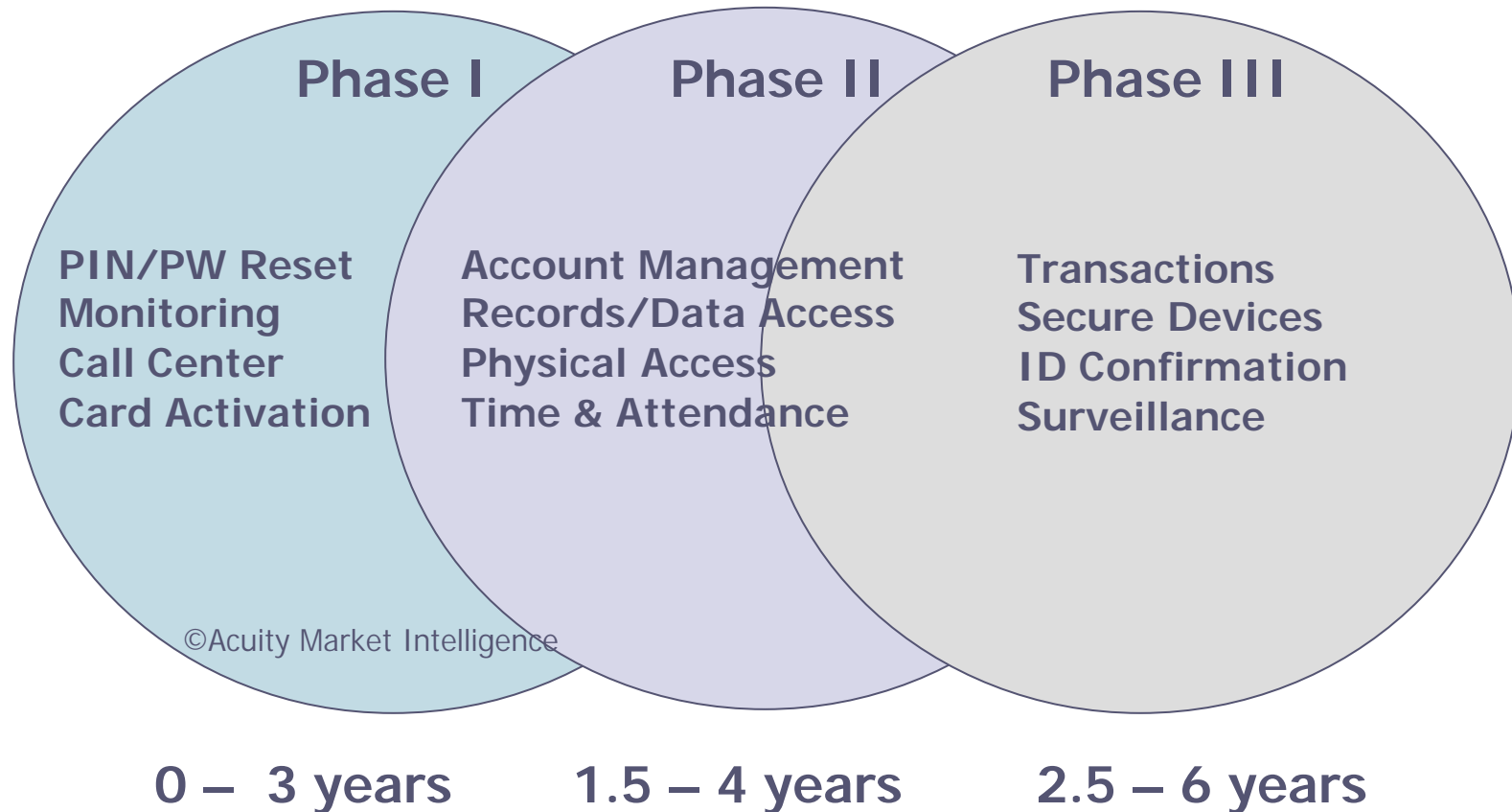
Branch/Office – Employee - PIN/PW Reset

Financial Services Industry Employment (US)						
US (2000)	Total Firms	Total Employees	500+ Firms	500+ Employees	Employee Type	% of Total
Industry	227,034	5,963,426	1,630	4,059,152		
					Tellers	
Banking	7,594	1,492,834	276	1,118,273	326,760	21.89%
Credit Unions	9,417	192,227	37	17,855	57,620	29.97%
					Sales Agent	
Securities	43,665	866,222	599	611,431	161,410	18.63%
Insurance	123,234	800,979	472	203,959	132,180	16.50%

Revenue and ROI Calculation (US)						
Sector	Employee Type	Adoption Rate	Enrolled Employees	80% Success	Revenue \$100 per seat	Total ROI \$200 per seat
Banking	Teller	10%	149,283	119,427	\$14,928,340	\$23,885,344
Credit Unions	Teller	25%	48,050	38,440	\$3,844,000	\$7,688,000
Securities	Sales	15%	129,930	103,944	\$10,394,400	\$20,788,800
Insurance	Sales	20%	160,180	128,144	\$12,814,400	\$25,628,800

Adoption Map

Voice Biometrics Applications



Phase II – Prioritize Market Strategy

- ☞ **Granulate Lucrative Targets into Niches**
 - based on size and adoption maps
 - End-user centric market definitions
- ☞ **Identify Highest Priority Niches**
 - end-user centric prioritization
 - series of two factor grids
- ☞ **Evaluate Competitive Landscape**
 - broad based definition of “competition” – all available alternatives

Aside: Definitions

Marketing: Taking actions to create, grow, maintain or defend markets

Market:

- a set of actual or potential customers
- for a given set of products or services
- with a common set of needs or wants, and
- who reference each other when making buying decisions

Two individuals/organizations buying the same product for the same reason that have no way to reference each other are not part of the same market

Selecting Niches

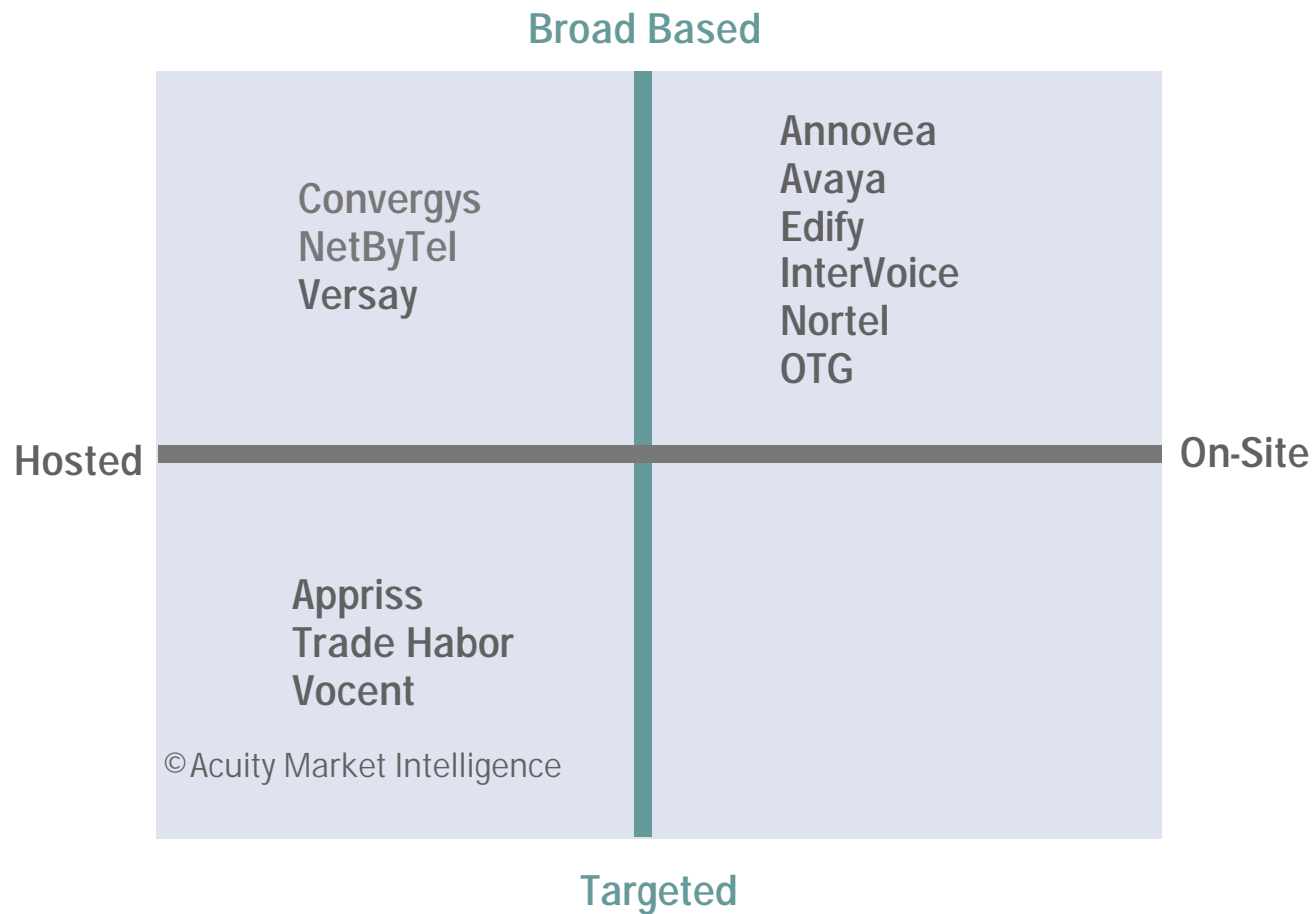
- ☞ Don't Be Fooled by 911 Market Hype
- ☞ Maximize Internal Leverage Points
- ☞ Look To Low or No Hype Opportunities
- ☞ Minimize Competition – “Coopetition”
- ☞ Leveraged Market Development
- ☞ Evaluate Quantifiable Data
- ☞ Sub-segment Large Verticals
- ☞ Don't Rely on Broad Based Market Projections – Segment, Size, Target
- ☞ **PICK TARGET MARKETS WITH MONEY**

Prioritizing Niches

- ☞ Opportunities 2-3 Times Current Organization or Business Unit Revenues
- ☞ Limit Market Definition to One That Can be Dominated
 - achieve 30 to 60 percent market share within 12 to 18 months
 - no other established market players
- ☞ Solve High Priority Problem
- ☞ Use Two Factor Grids

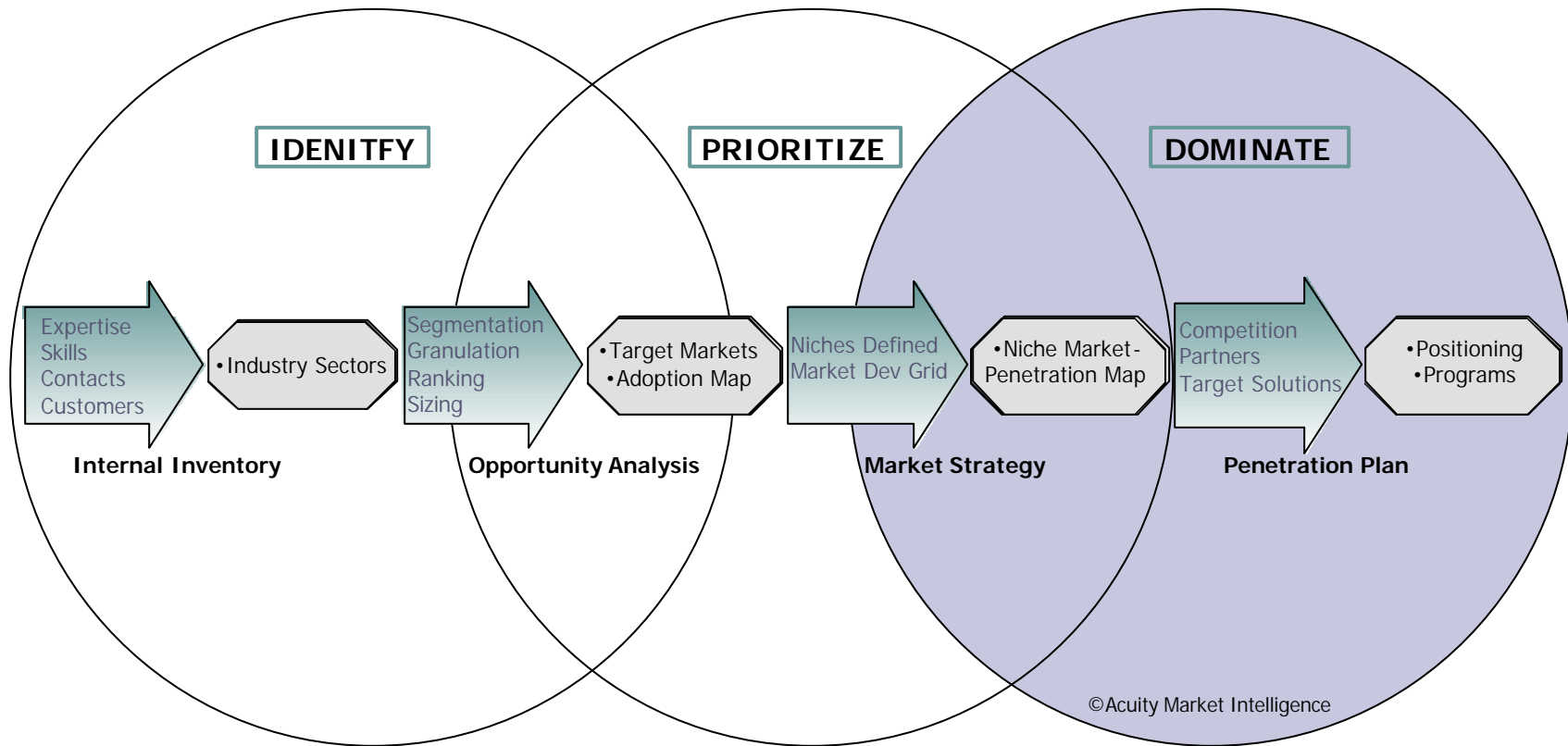
Competitive Landscape

Voice Biometrics Solutions Providers



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Phase III: Dominate

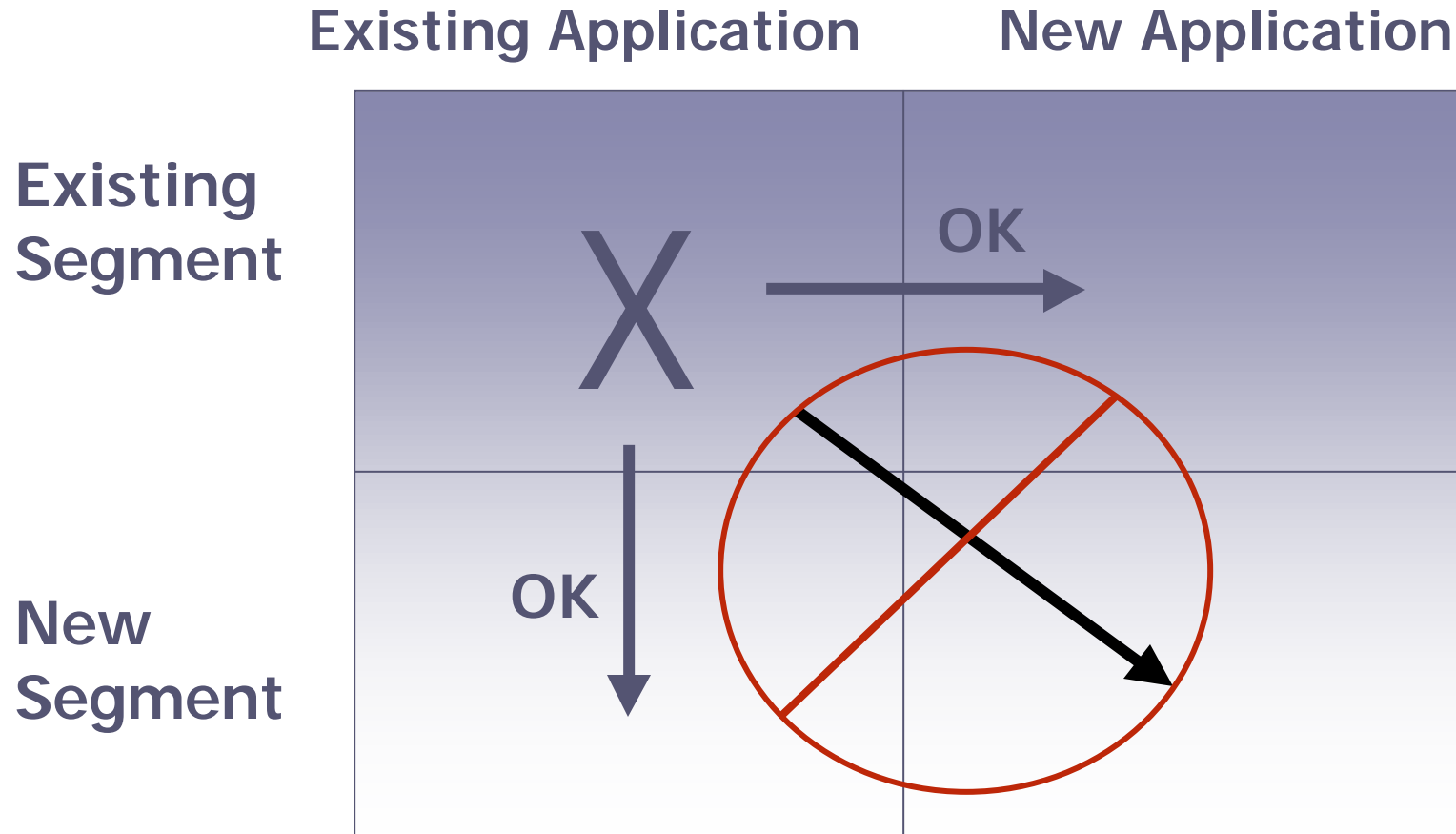


Phase III – Dominate

Market Strategy

- Market Development Grid Identifies Leverage Points Across Niches
- Construct Market Penetration Map
 - progresses from initial niche outward in a triangular network or *bowling alley* (Chasm Group)
 - *bowling alley* configuration maximizes cross-niche leverage points

Market Development Grid



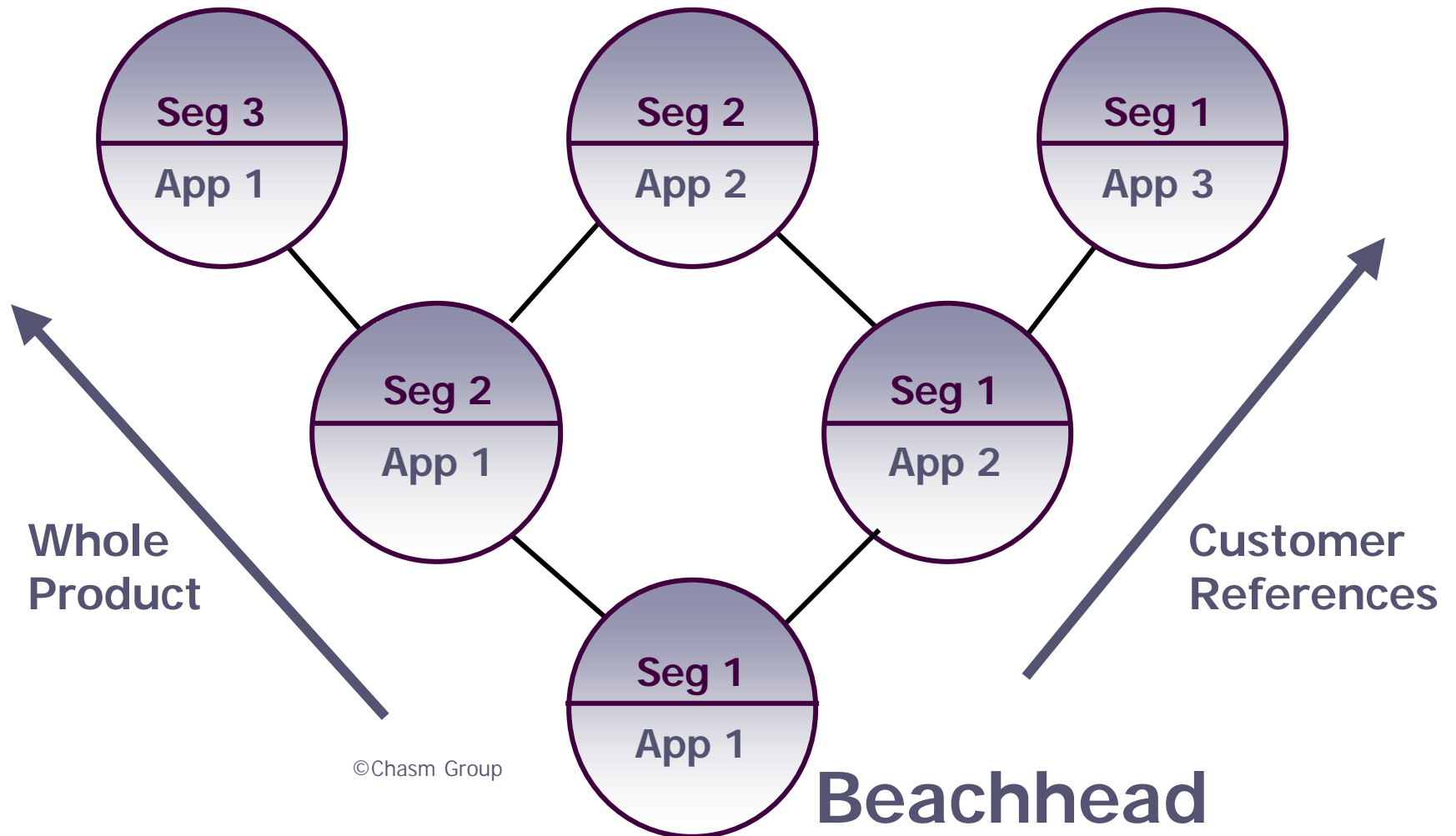
Define The Bowling Alley

- ☞ Beachhead* is the Key
- ☞ Displace Status Quo With New Technology
- ☞ Customer Application Defines Market
- ☞ Must Have *Whole Products** for Each Niche
- ☞ Restrained Competition Due to Whole Product Barriers
- ☞ Healthy Price Margins
- ☞ Value Added Distribution
- ☞ Build Foundation for Market Momentum

*Chasm Group

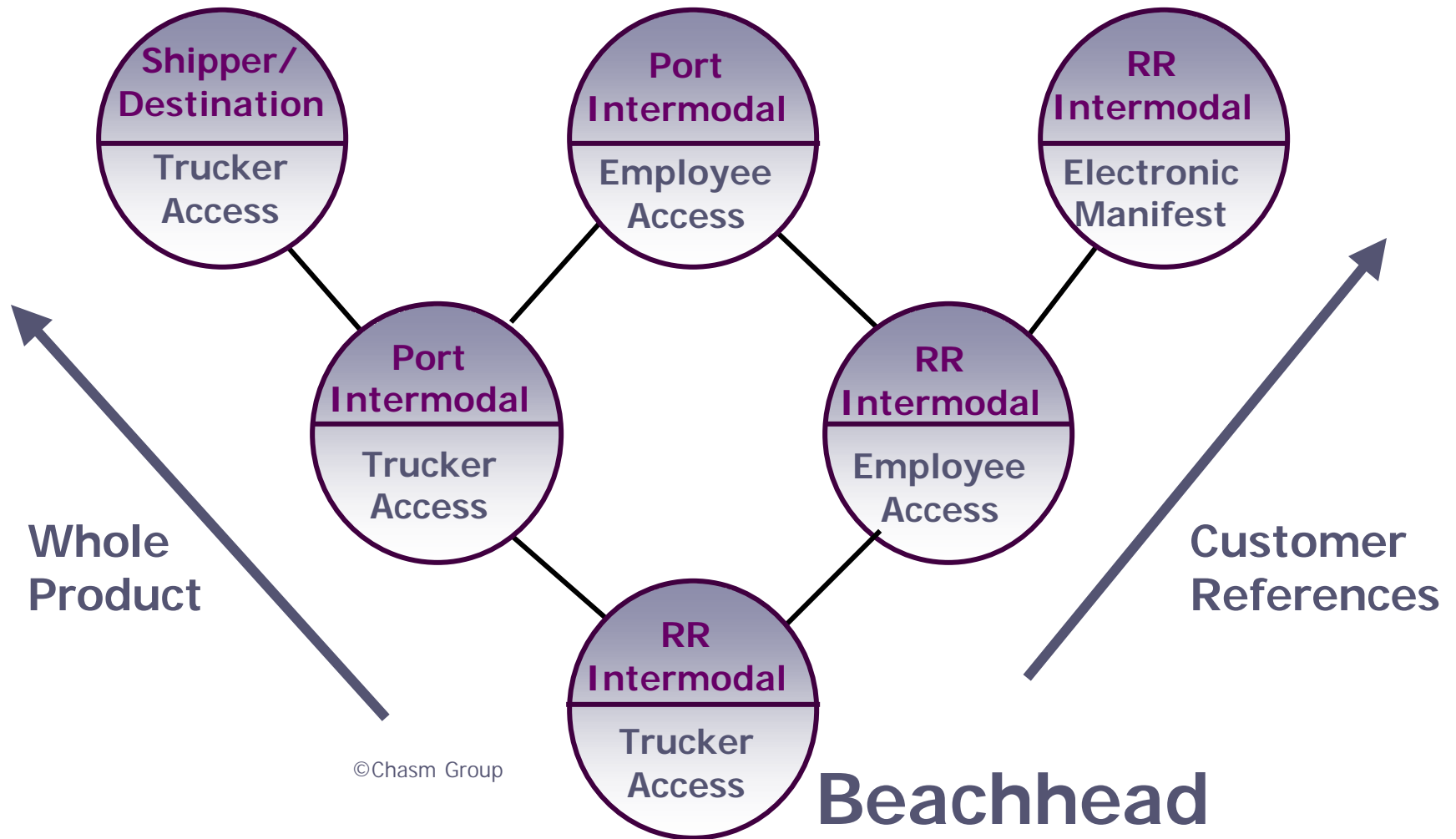
Bowling Alley

Leveraged Market Development



Bowling Alley

Cargo Transportation Example



Phase III – Dominate

Penetration Plan

- ☛ ***Whole Product Solutions*** (Chasm Group)
 - defined through strategic partnering
 - transform adversaries into allies
- ☛ **Positioning and *Highly Targeted* Marketing, PR and Sales Programs for Each Niche in Sequence**
- ☛ **Apply the “Elevator Test”**

Whole Product Solutions

“We do not have, nor are we willing to adopt, any discipline that would ever require us to stop pursuing any sale at any time for any reason”



Create a marketplace where our product is the only reasonable buying proposition

A GAP exists between the marketing promise made to customers – VALUE PROPOSITION - and the ability of the shipped product to fulfill that promise. To overcome this GAP, products must be augmented by services and ancillary products to become a **WHOLE PRODUCTS**

Whole Product Solutions

Gap Between Value Proposition and Delivered Product

- ☞ **Complete Set of Products & Services Needed For Customer to Achieve Results**
 - **Generic - “In The Box” or Defined in Purchase Agreement**
 - **Expected – Minimum Configuration to Achieve Buying Objective**
 - **Augmented – Maximum Chance of Meeting Buying Objective**
 - **Potential – Incorporates Ancillary Products & Enhancements**
- ☞ **Resource Intensive, MUST be Strategic & Limit to few Niches**
- ☞ **Leverage Partners and Allies But Don't Rely on Them**
- ☞ **Example: Datastrip – Liberian Registry Seafarer ID**

Marketing & Sales Programs

- ☞ Identify Target Prospects
- ☞ Identify Industry Influencers
- ☞ Develop Positioning & Key Messages
- ☞ Define Tactics Along Acquisition Path
 - ◆ awareness - first contact
 - ◆ interest - build relationships
 - ◆ desire (preference) – trusted resource
 - ◆ action – reason to buy
- ☞ Create Sales & Marketing Tools
- ☞ Allocate Marketing Resources Judiciously
 - INVEST: relationships, targeted info. & analysis, targeted events, establishing expertise
 - AVOID: advertising, expensive collateral, trade shows

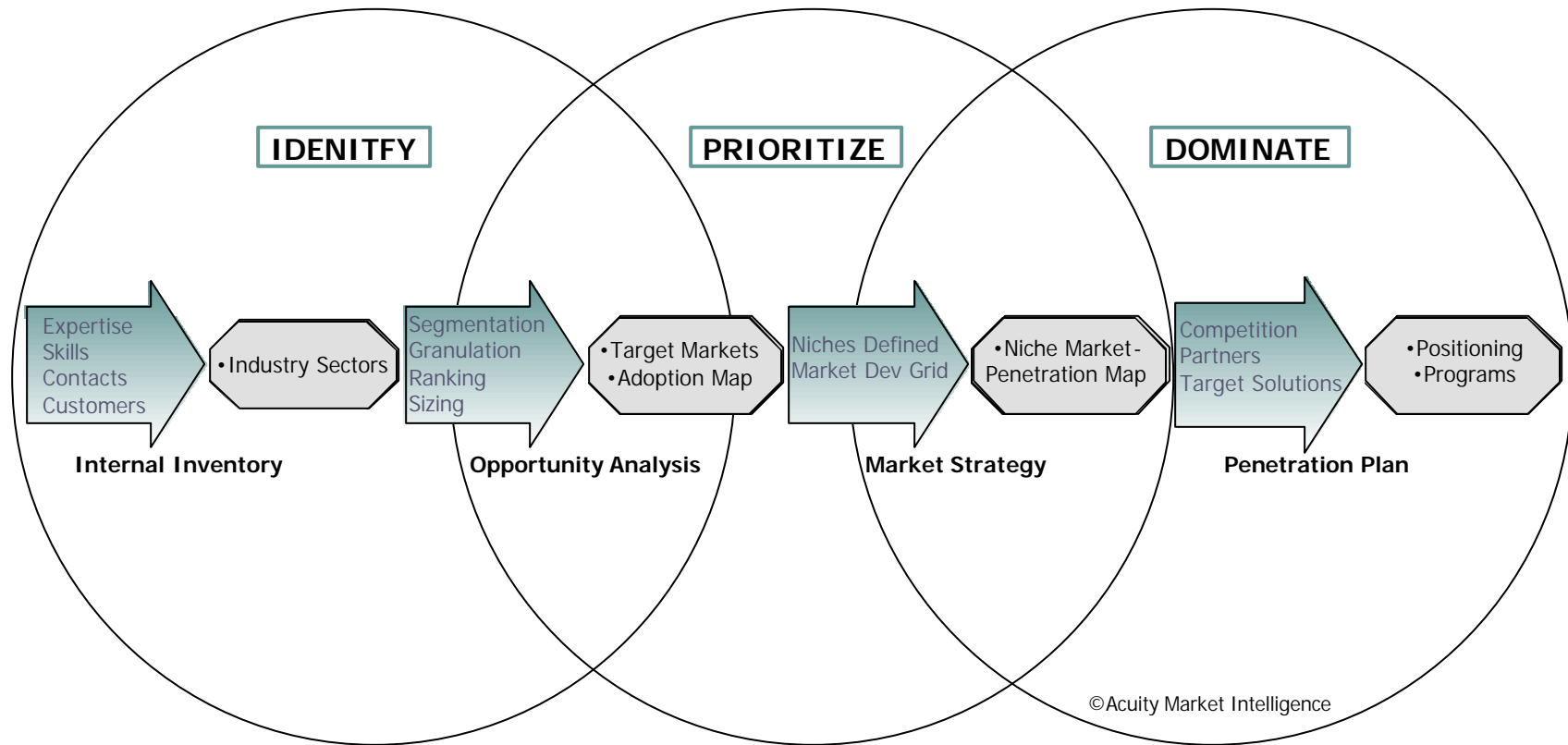
The Elevator Test

- ☛ **For** (target customers – beachhead segment only)
- ☛ **Who are dissatisfied with** (the current market alternative)
- ☛ **Our product is a** (new product category)
- ☛ **That provides** (key problem-solving capability)
- ☛ **Unlike** (the product alternative) **We have assembled** (key whole product features for your specific application)

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Market Development Methodology



Part II: Group Exercise

☞ Review Case Studies

- ◆ Vendors, Integrators, Investors

☞ Select Strategic Move

- ◆ Sale
- ◆ Partnership
- ◆ Investment
- ◆ End-user
- ◆ Strategic Partner
- ◆ Investor

☞ Use Slide Templates to Create Elevator Pitch

- ◆ Opportunity
- ◆ Solution/Value Proposition
- ◆ Strategy

Part III: Present & Critique



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