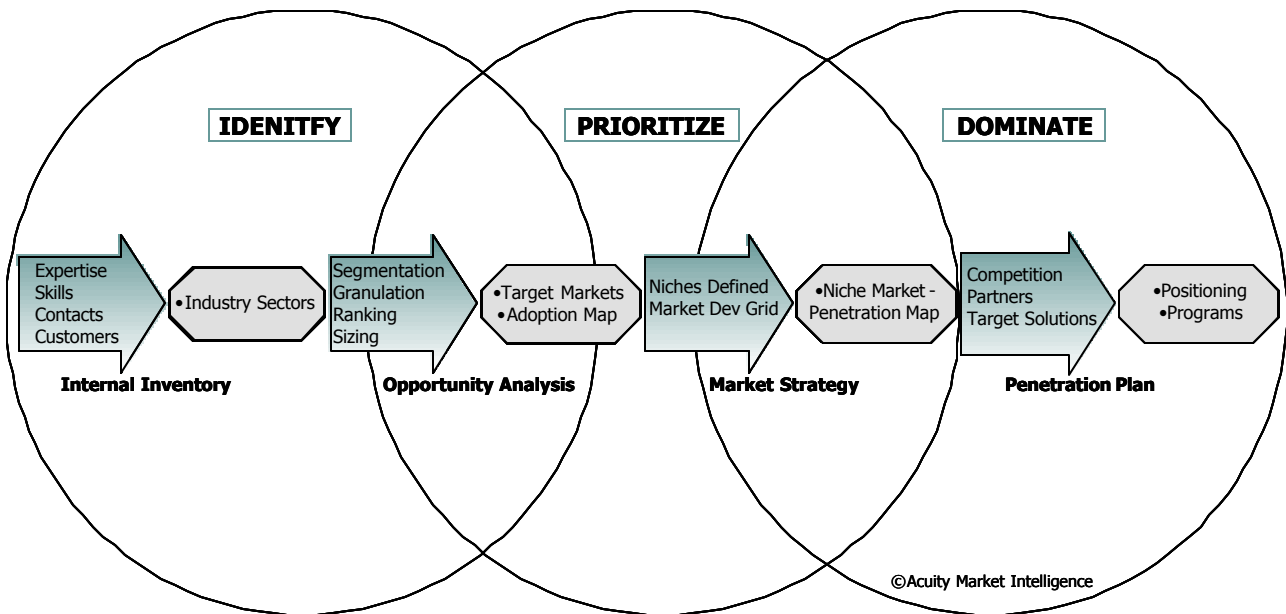


## Acuity's MDM<sup>®</sup> - Market Development Methodology



Acuity's Market Development Methodology is a three-phase process. Though phase boundaries do overlap, they are generally defined as follows:

### Phase I - Identify

**Internal Inventory:** Surveys and brainstorming session with key executives, business unit teams or entire staff - for start-ups - to catalogue tangible resources and intangible assets. Data points include individual and organizational skills and expertise, industry knowledge and contacts in current and potential markets, existing products and services and those in development, strategic relationships and established customer base. The most attractive industry sectors for a particular organization are identified.

**Opportunity Analysis:** Industry sectors must be vertically segmented against horizontal applications and further granulated into vertical target markets charted against targeted application solutions. A series of two factor opportunity-ranking grids are used to perform initial prioritization of target markets based on markets with the most extreme points of pain. These points of pain are driven by factors such as business process issues, government and industry regulations and failures to adequately serve customers. Top-down market-sizing models indicate the most lucrative target markets. Adoption maps are developed to track the evolution of the application solutions within these target markets.

### Phase II - Prioritize

**Market Strategy:** Target markets are further granulated into niche markets, which represent opportunities that are two to three times current organization or business unit revenues. This size constraint is designed to limit the market definition to one that can be dominated i.e. 30 to 60 percent market share can be achieved within 12 to 18 months. The market development grid is used to identify leverage points across niche markets and to construct a market penetration map. This map progresses from an initial niche market outward in a triangular network or *Bowling Alley*\* configuration that maximizes these leverage points.

### Phase III - Dominate

**Penetration Plan:** The competitive landscape is evaluated with an eye towards transforming adversaries into allies. *Targeted Whole Product Solutions*\* are defined through strategic partnering. Market positioning and highly targeted marketing, PR and sales programs are developed for each niche in sequence.

\*© The Chasm Group