

Three steps to creating value from Technology

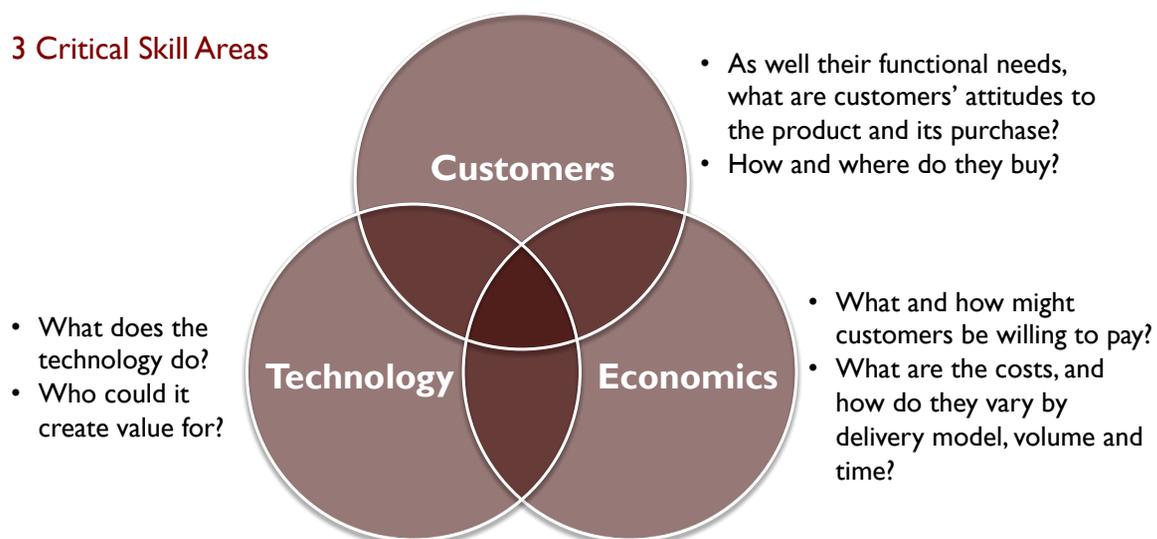
Technology businesses often face a challenge when they want to commercialise a technical product or skill. In our experience, there are **three critical skill areas** they must bring together at an early stage.

- **Technology** – a technology company may have its core skills here, but technical businesses, particularly small ones, often lack expertise in two other skills critical in building a successful business:
- **Customer** – understanding customers, and how best to ‘connect’ with them through marketing and sales
- **Economic** – understanding and optimising the financial returns for the product, the business and investors

In our experience, there are **three key steps** in how to approach this challenge.

1. **Understand each of the three key areas**, individually and how they link up. Some of the key questions are shown on the diagram below. We helped a technically excellent service company to understand that customers who seem similar on the surface actually have very different ways of buying and very different levels of profitability. Working together, we re-designed marketing and sales approaches to be more effective both in absolute terms (+57% sales increase) and better focused on more profitable customers.
2. **Bring them together and create options**, for the way the business could work. It pays to be creative: for one client with an energy-efficiency technology, we identified a new possible customer group with a completely new business model worth tens of millions of pounds.

3 Critical Skill Areas



3. **Select and refine** them rigorously considering both their potential value and their chances of success. For a new telecommunication technology, we built financial models for several options, which pointed to a plan based on the retention of high value customers, rather than customer acquisition or service usage.

Red Kite Management Consulting helps businesses to gain value from technology issues. We have experience with technology leaders including BT, CGI, Vodafone and UPS, many smaller companies, and the space and environmental sectors. Please contact us at info@redkiteconsulting.uk or visit www.redkiteconsulting.uk for more information.

“Red Kite assisted us in getting the balance and focus of the business plan just right in order to successfully raise early-stage investment into the business.” – CTO, Green energy start-up business