Growth Insights

Select Strategies

Plan your market entry

or you may find your Waterloo!

When Napoleon Bonaparte said "Victory belongs to the most persevering" he might well have been talking about the contrasting fortunes of companies entering new markets. The statistics are stark - for every successful market entry, about four fail.

So what are the 'battles' in market entry and how can you beat the odds? There are three key battlegrounds to consider when invading new markets:

1. What are you **committed** to doing?
2. Who are your **sweet spot customers**?
3. Where is your **measurable value**?

1. What are you committed to doing?
Good CEOs know what their company stands for and what sets it apart. They are clear about why they are entering a new market. They have done the planning. They understand the prize and are prepared to find the money to give their teams the best chance of winning.

They know that if they want to enter a new market like Germany, USA or Japan that real commitment and a deep sense of purpose is required. They know the direct sales guy to carry out 'tap and go' tactics around the world in 80 days won't work. They document their assumptions and test them with military rigour. No premature market entry for them to notch up vanity metrics.

In the absence of real commitment, backed up by 2X what you believe to be a realistic budget, your team will tend to pursue their own, short-term goals. They will pull in different directions and set different priorities - the predictable result is friction, pettiness and ultimately chaos. Think hard about the commitment, the time you will spend in lonely hotels and busy airports. Debate it with your team - new market entry is not for the faint hearted. It takes twice as long as you might think to succeed, but the long term rewards can transform your company.

2. Who are your sweet spot customers?

[Follow on Twitter](#)

[Forward to a Friend](#)

Insight in brief

New market entry offers great growth potential but many fail.

Being clearer on the time commitment required, figuring out in a disciplined way who are the sweet spot customers to target, and seeking answers to how you can deliver significantly increased measurable value over existing competitors will help companies avoid their Waterloo.

Insight in Action

- Be rigorous in creating testable planning assumptions
- Plan that it will take twice as long to win as you think
- Have the courage to challenge all stakeholders on true commitment
- Challenge existing models of target customers
- Assume nothing, rigorously test assumptions

2. Who are your sweet spot customers?
The sweet spot is where your target customers' needs fit with what's special about your product or service. To make growth happen, finding your sweet spot is important - when entering a new market, it's critical.

Many companies entering a new market seek to build on success in their home or initial markets. One of the biggest errors such companies make (big ones as well as small) is to assume that the factors that ensured their success in the initial market will translate to the new market. Business lore is awash with tales of companies who sought to expand into new markets and made one critical mistake - they assumed that the customer profile was the same.

If you rush to enter the market, before making the right sweet spot decisions, you will waste time and valuable resources on the wrong customers. Don't underestimate the preparation needed. No company has products or services that appeal to all - concentrate on those customers whose needs match the unique value you offer. Then continuously deliver better value than the competition.

3. What is your measurable value?
Can you answer and back up the question "How much do you make or save me?" If not, you are not measuring or proving your value. Buyers have no time for unsubstantiated declarations of value. Even less so from a new player to the market.

Selling in an existing market is a challenge, but when you move to a new market the challenge intensifies. If you are not managing your value, you can be sure someone else is - probably to your detriment!

Before you enter a new market, examine carefully the customers you are targeting. What are their key pain points? What needs to they have - particularly those not being met by existing players? What increased measurable value can you deliver over their existing suppliers?

As a new entrant you will have risk written all over you. Many buyers are still suffering from buyer's remorse. Their risk index is high - they want to see tangible proof before signing another purchase order.

Existing satisfied customers can be a treasure trove of information and proof of value. Get the value you have delivered for your customers documented in well-crafted case studies. Handpick customers that others will be interested in reading about. By articulating your value in well-written case studies you shift the focus from trying to sell the product to posing the question - "would you like to achieve savings of €X in Y timeframe, as existing customer X has done?"

Follow these three steps, plan your market entry carefully - and avoid your Waterloo.

- Appoint a devil's advocate
- Assume that current capabilities and propositions will need to be strengthened

- and avoid your Waterloo.

follow on Twitter | forward to a friend

Select Strategies helps companies make growth happen. In *Growth insights* we share experiences of how companies accelerate growth.
Visit us at http://www.selectstrategies.com

Our mailing address is:
Select Strategies
7 Butler's Court
77 Sir John Rogerson's Quay
Dublin, Dublin D2
Ireland