



Preparing for Commercialisation

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The objective



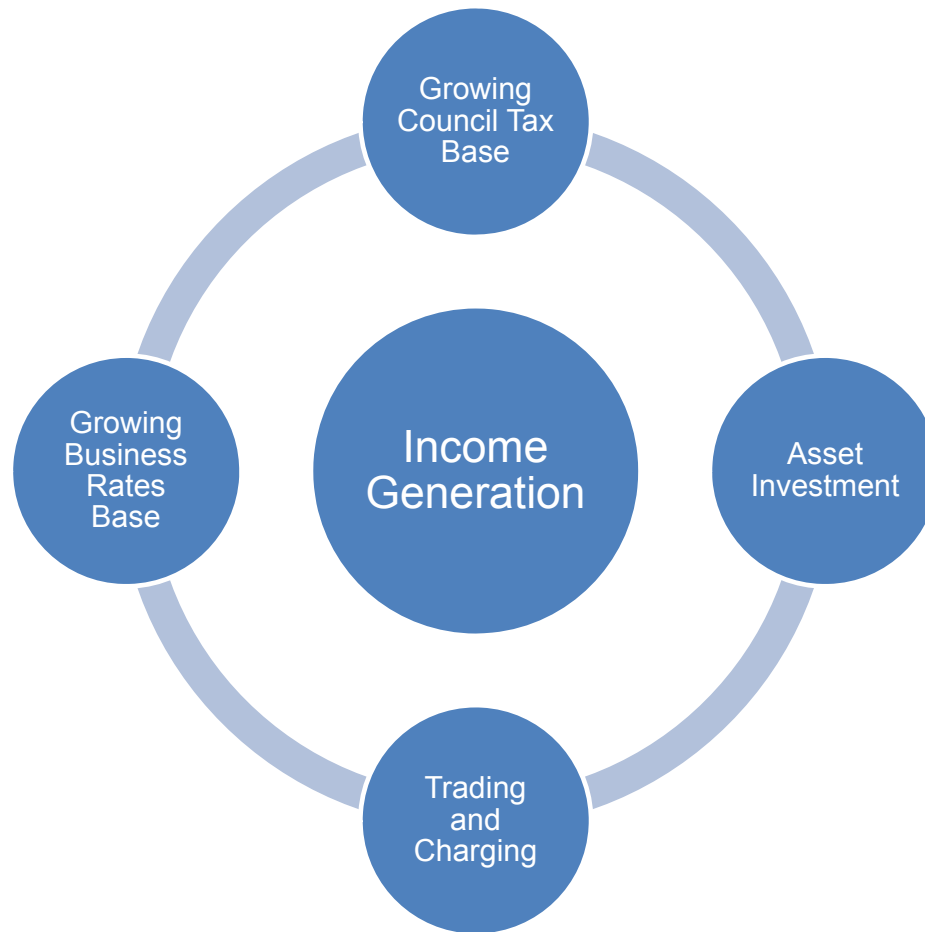
- Charging? Trading?
- Commercialisation
- Culture?
- Marginal revenue or
- Major business initiative
- Being more like the private sector??

Drivers of commercialisation

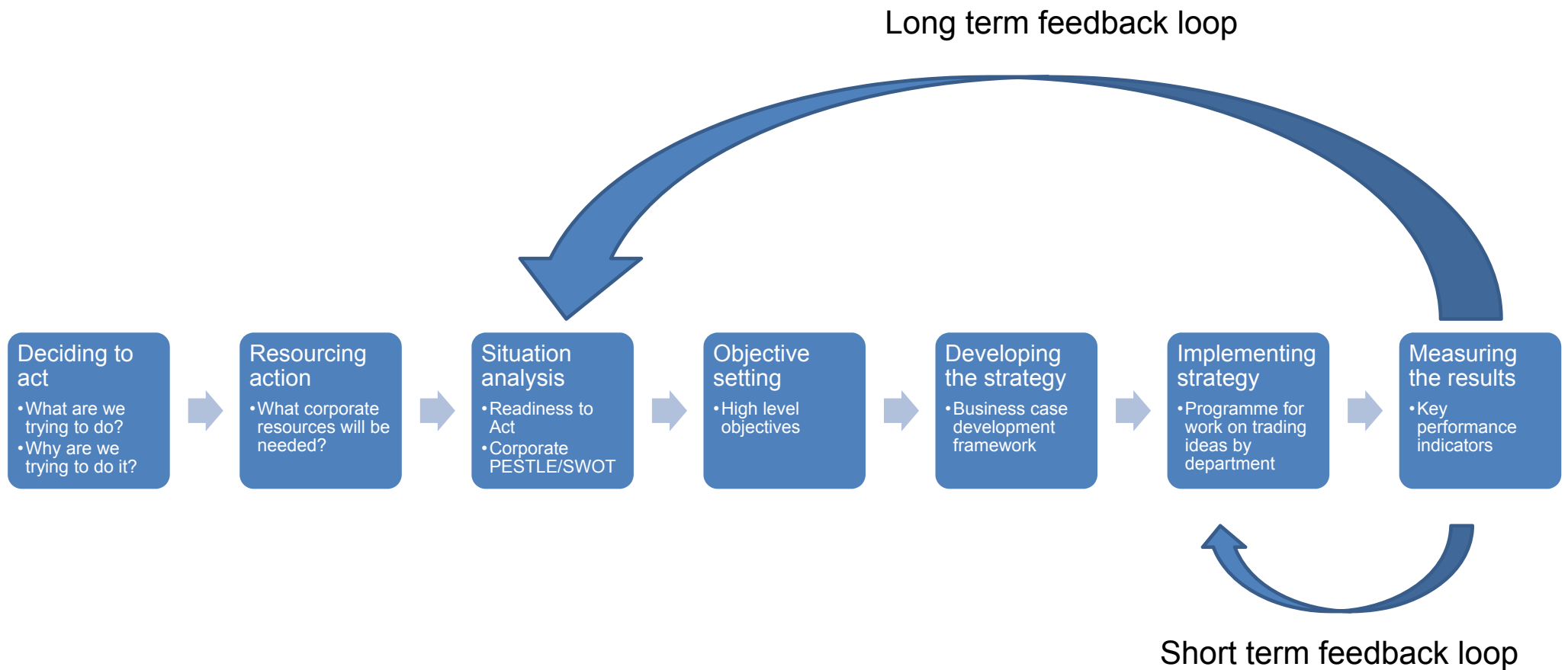


- Better services?
 - Maybe
- Expansion of services?
 - Maybe
- Financial necessity
 - Definitely

Commercialisation Strategy



Commercialisation Strategic Planning Model

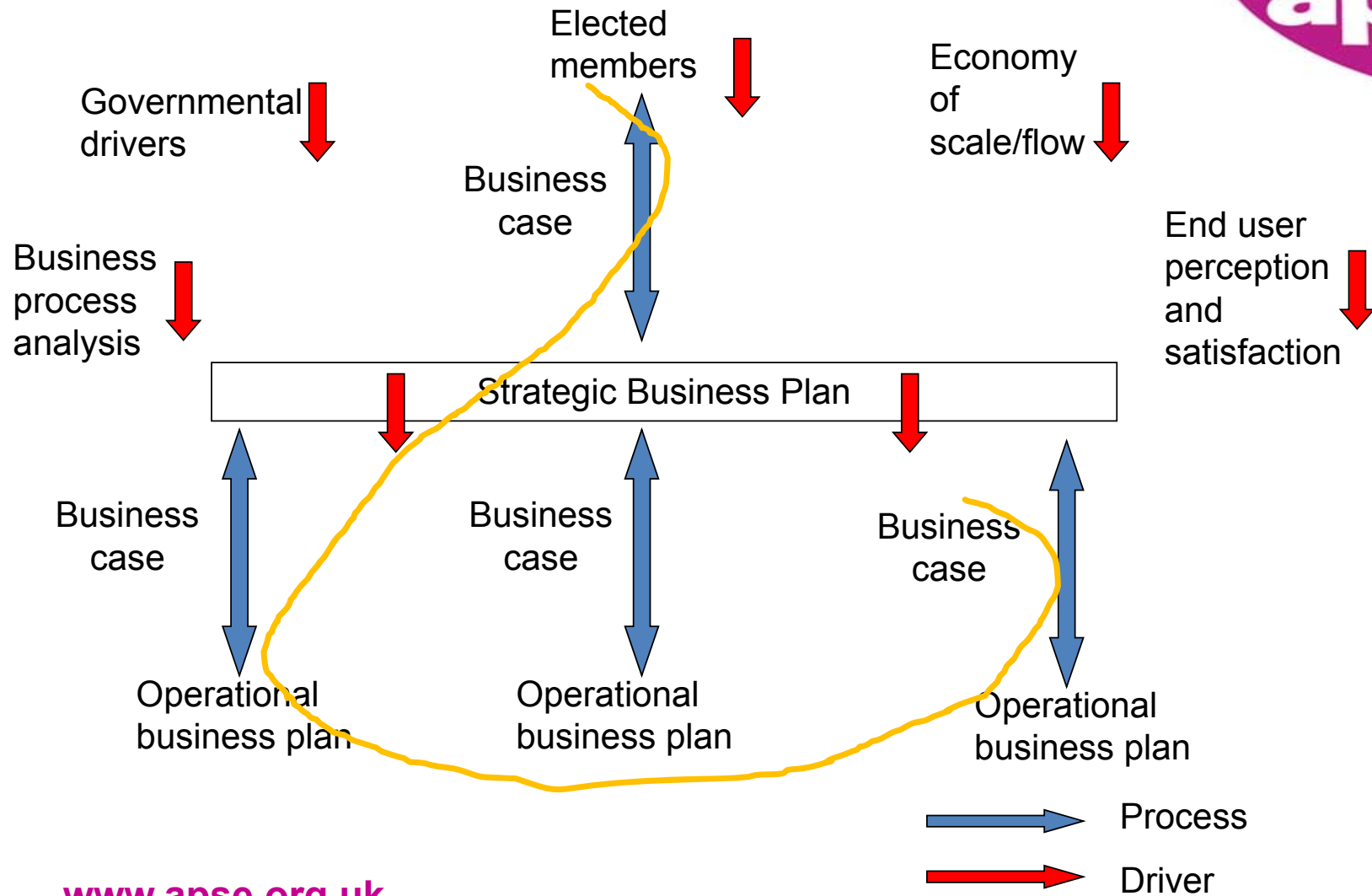


So what is a business case?



- An argument or justification – why rather than how
- To convince investors
- Three stages
 - Strategising
 - Producing an outline case
 - Producing a final case

A business case driven approach





A five case model

- Treasury guidance
- A balanced approach
- Likely cases but could be different
 - Strategic
 - Legal
 - Financial
 - Commercial
 - Technical or operational

Risk issues



- The link between risk and entrepreneurialism
- Why assess risk
- How to identify risks
- How to assess evaluate risk
- What to do with the risk assessment

Growing the business

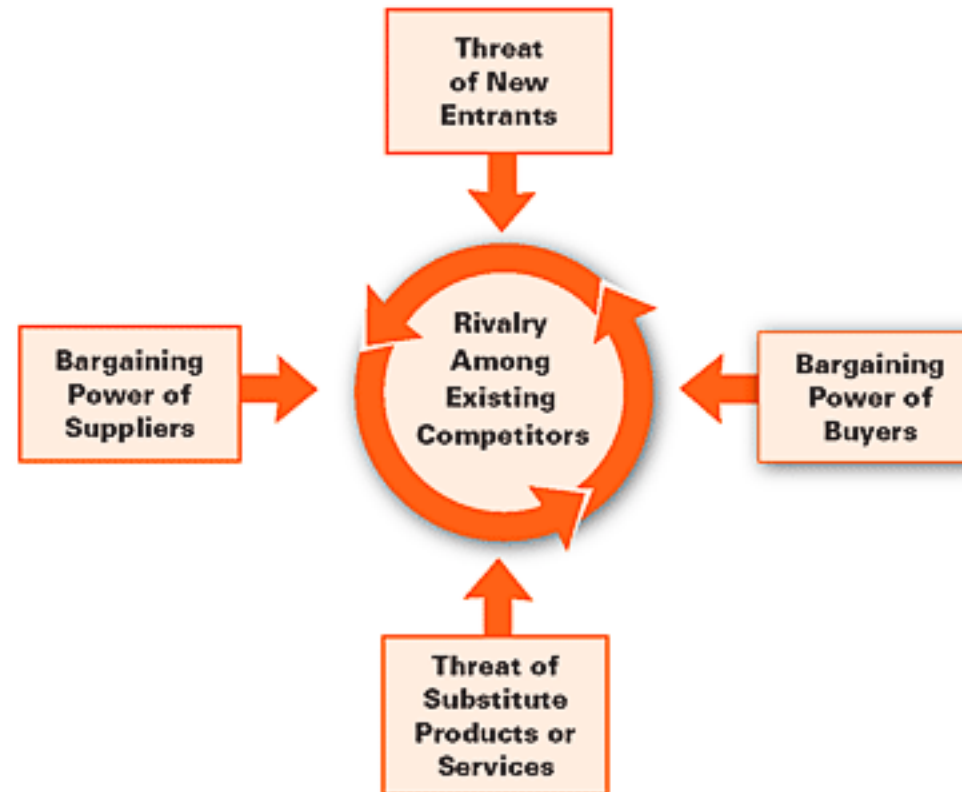
- Understanding markets
- Hearing the voice of the customer



Understanding an industry



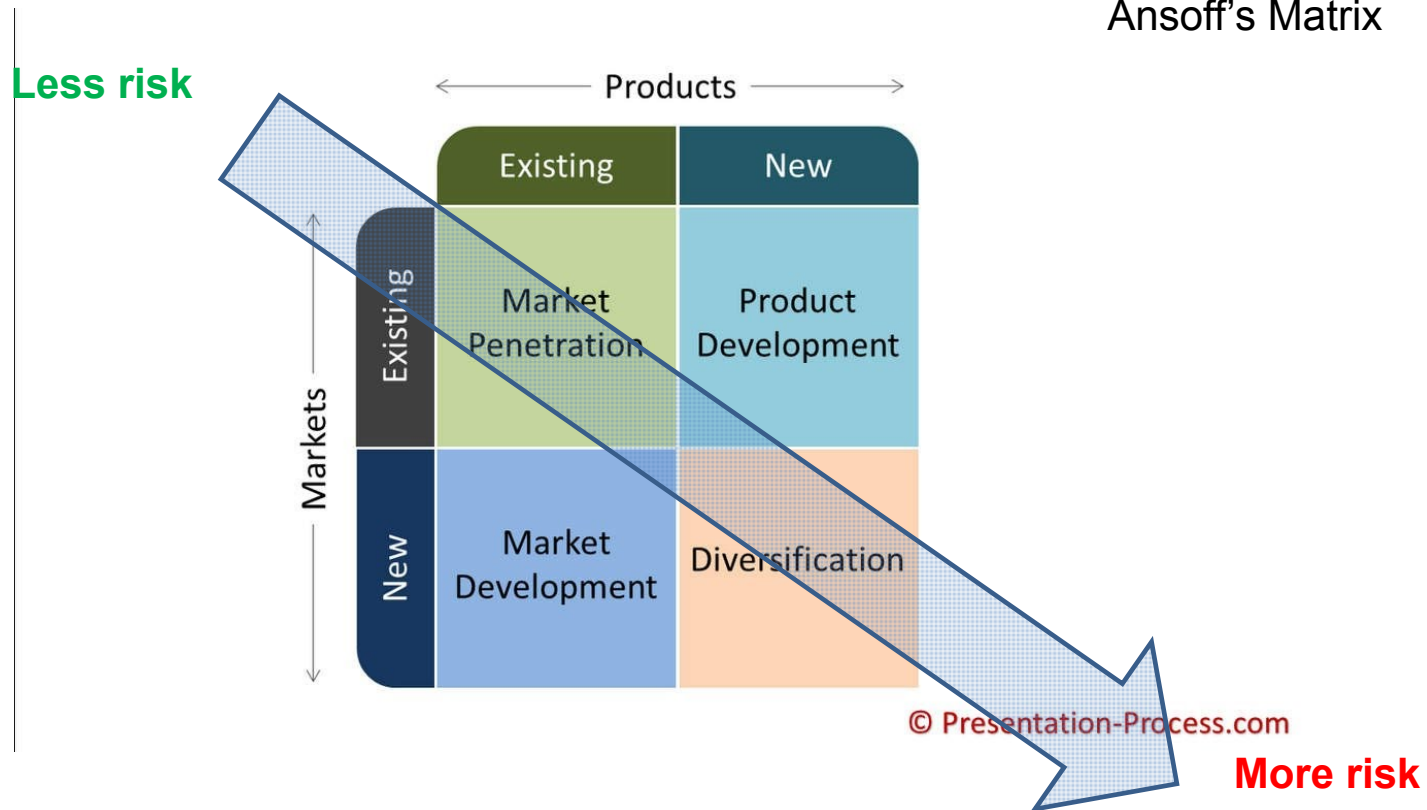
The Five Forces That Shape Industry Competition



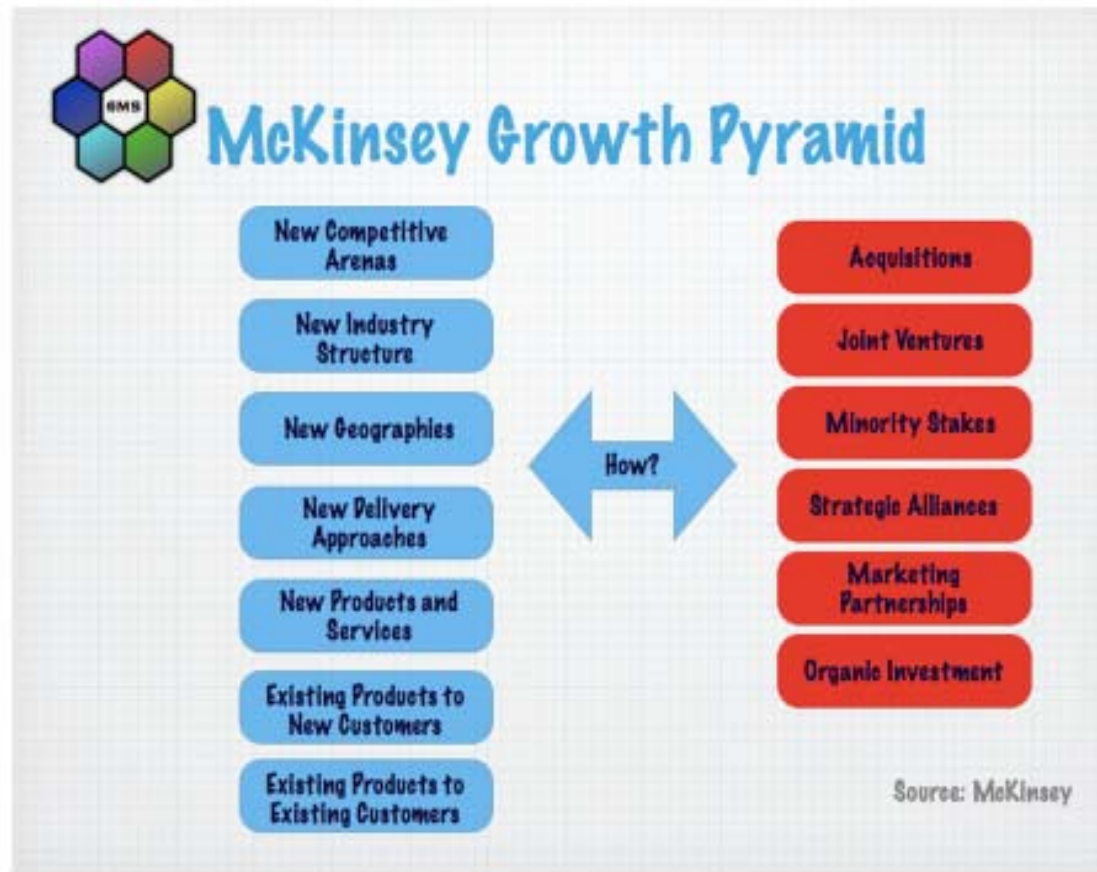
Growing the business – a commercial approach



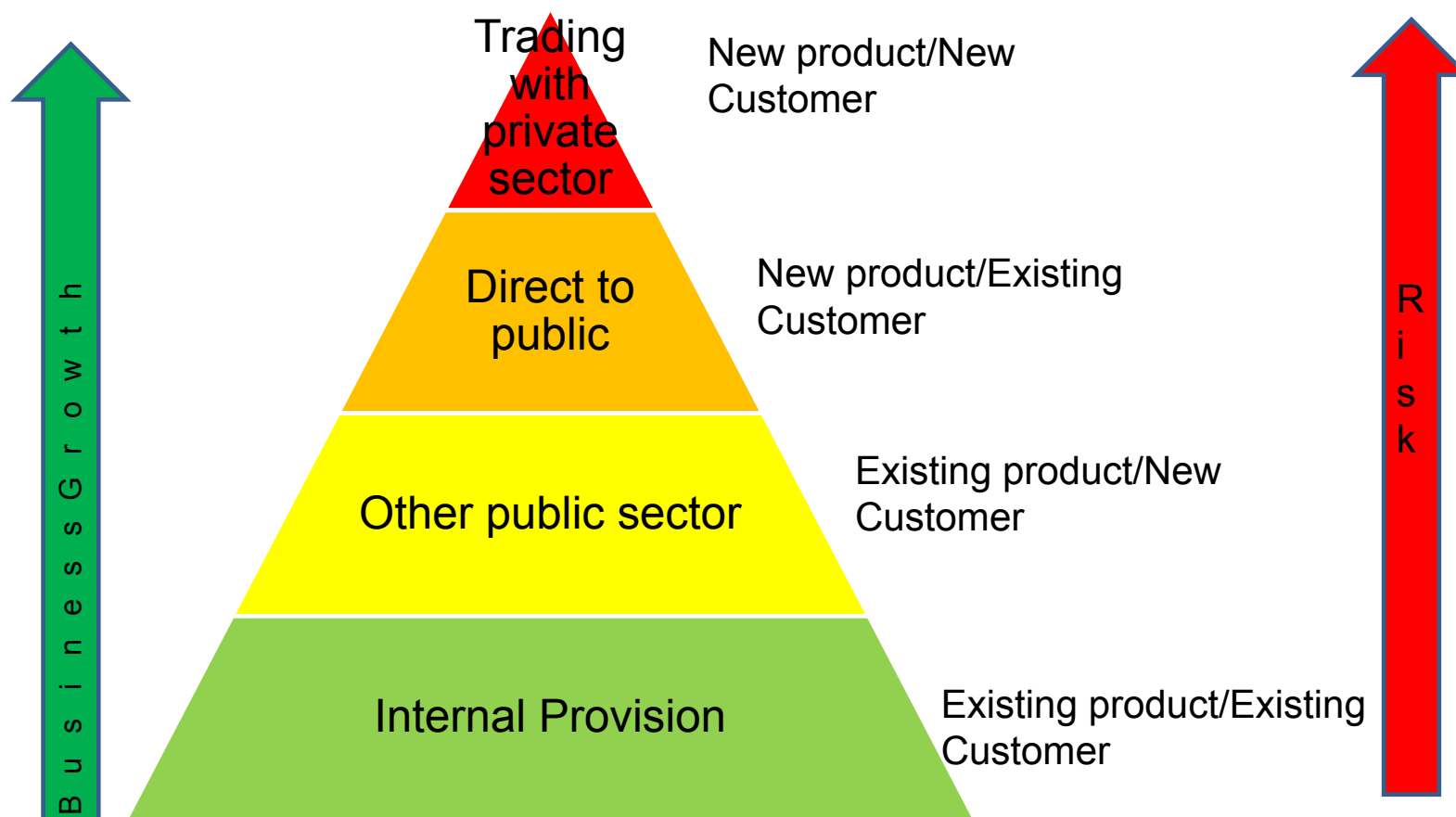
Ansoff's Matrix



McKinsey Growth Pyramid



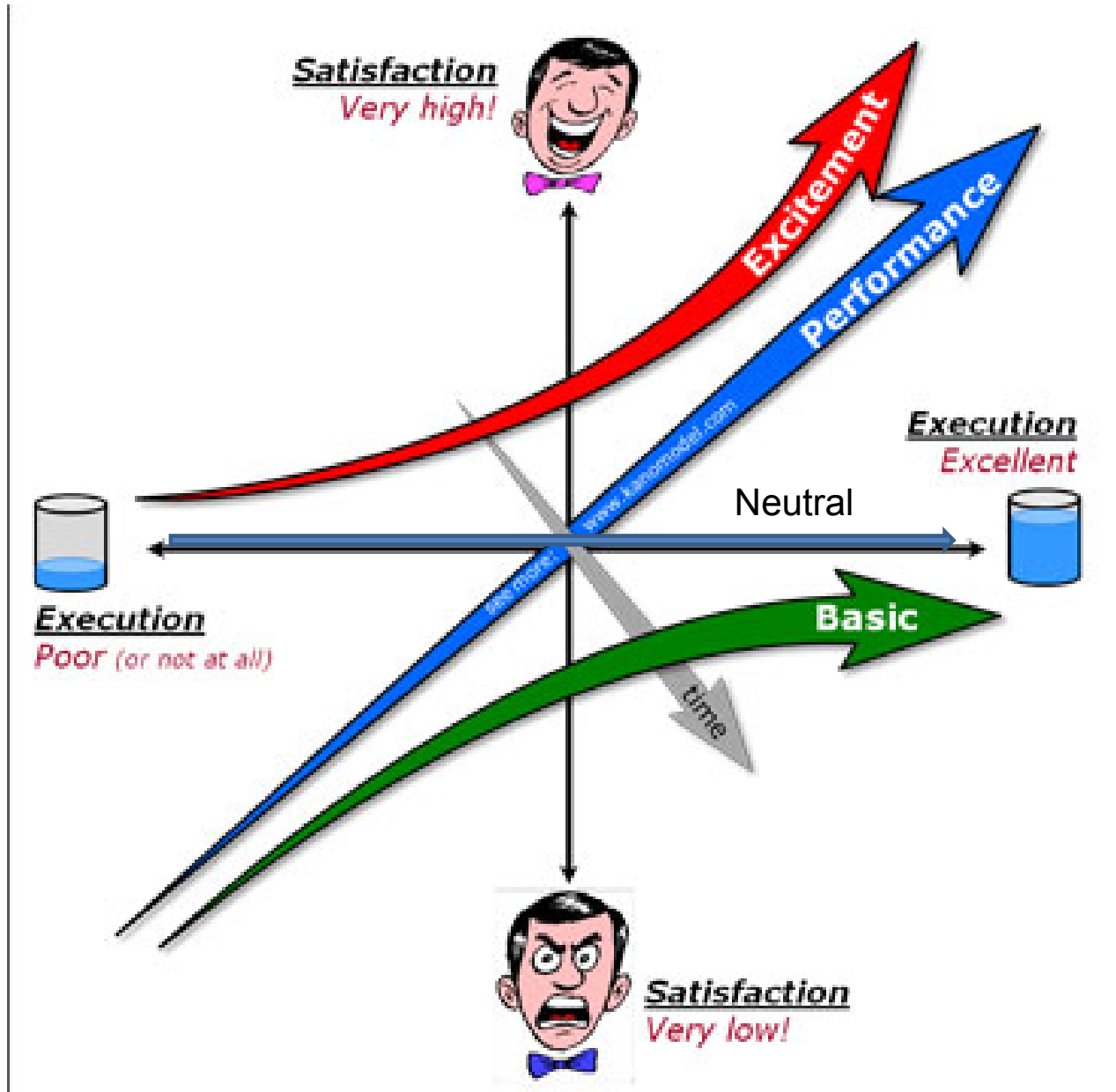
In a public sector trading environment



How do we know what will appeal to customers?



“Caring deeply about what customers want is much different from continually asking them what they want; it requires intuition and instinct about desires that have not yet formed. “Our task is to read things that are not yet on the page,” Jobs explained. Instead of relying on market research, he honed his version of empathy—an intimate intuition about the desires of his customers.” Walter Isaacson quoting Steve Jobs in the Real Leadership Lessons of Steve Jobs



Blue Ocean Strategy: Demand Innovation

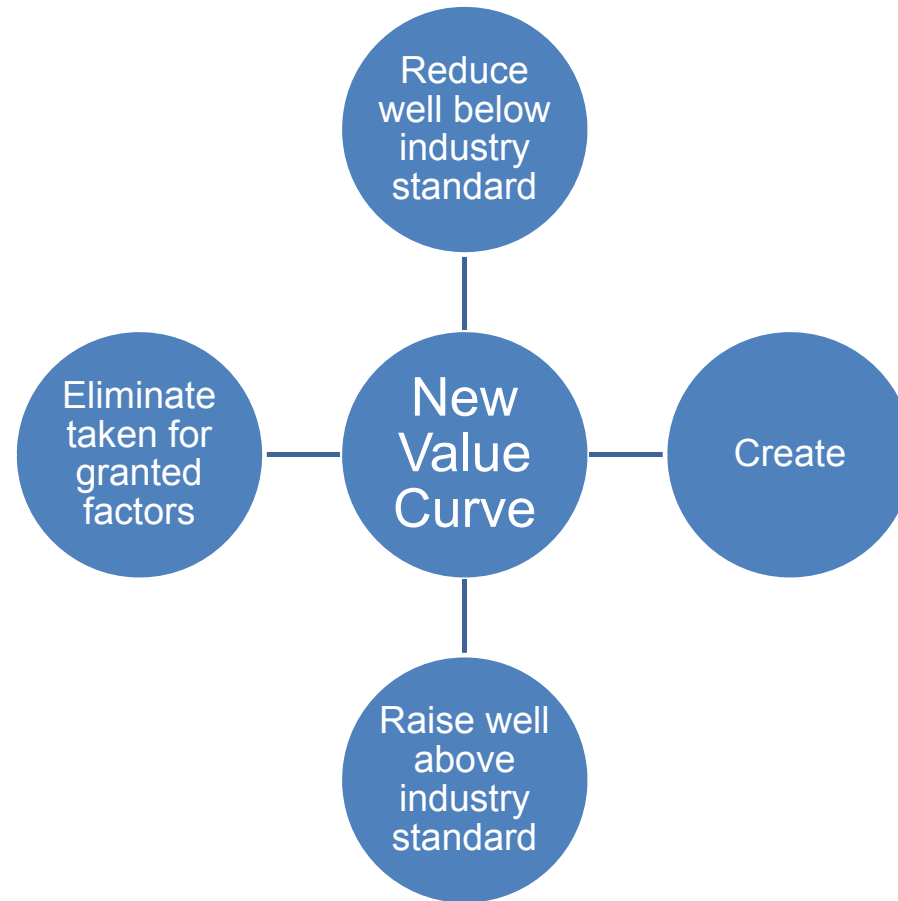


**Key principles: W Chan Kim and
Renee Mauborgne
Blue Ocean Strategy Unit: INSEAD**

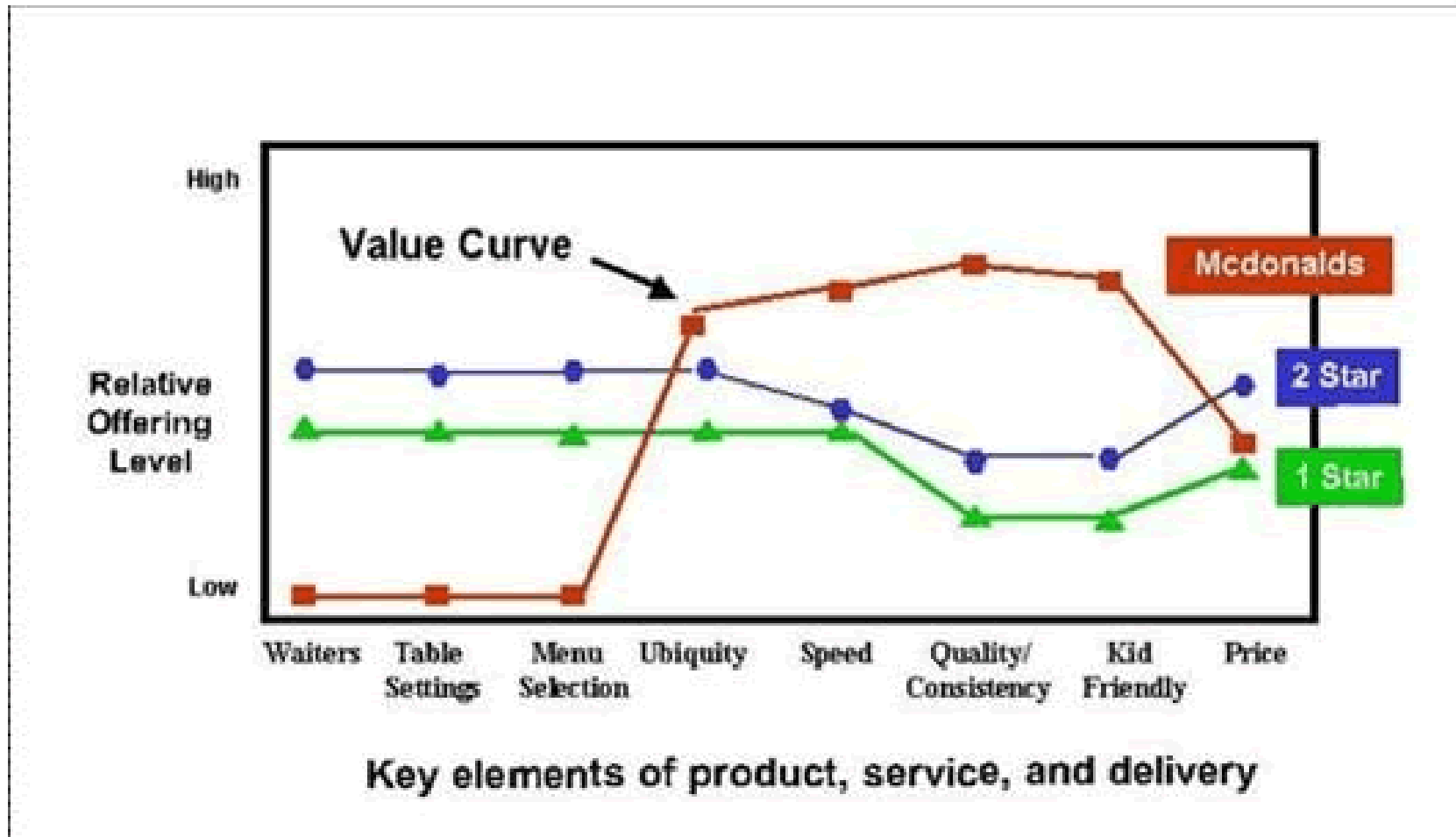


- Value innovation
- Thinking beyond competition strategy
- Creating new demand
- Finding uncontested market space
- Avoiding commoditisation of product

4 Action Framework



Strategy canvas: McDonalds



6 Path Framework



	Head to head competition	Blue Ocean Creation
Industry	Focus on industry rivals	Looks across industry boundaries
Strategic group	Focus on competitive position within strategic group	Looks across strategic groups within industry
Buyer group	Focusses on better serving the buyer group	Redefines the industry buyer group
Scope of product or service offer	Focusses on maximising the value of product within the bounds of its industry	Looks across to complimentary products and service offerings
Functional – emotional orientation	Focusses on improving price performance within existing orientation	Rethinks the functional – emotional orientation of its industry
Time	Focusses on adapting to external trends as they occur	Participates in shaping external trends over time



Consultancy

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Interim management requirements

Roads & Highways, Building Maintenance, Bereavement Services, Environmental, Parks & Open Spaces, Waste, Facilities & Leisure etc.

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