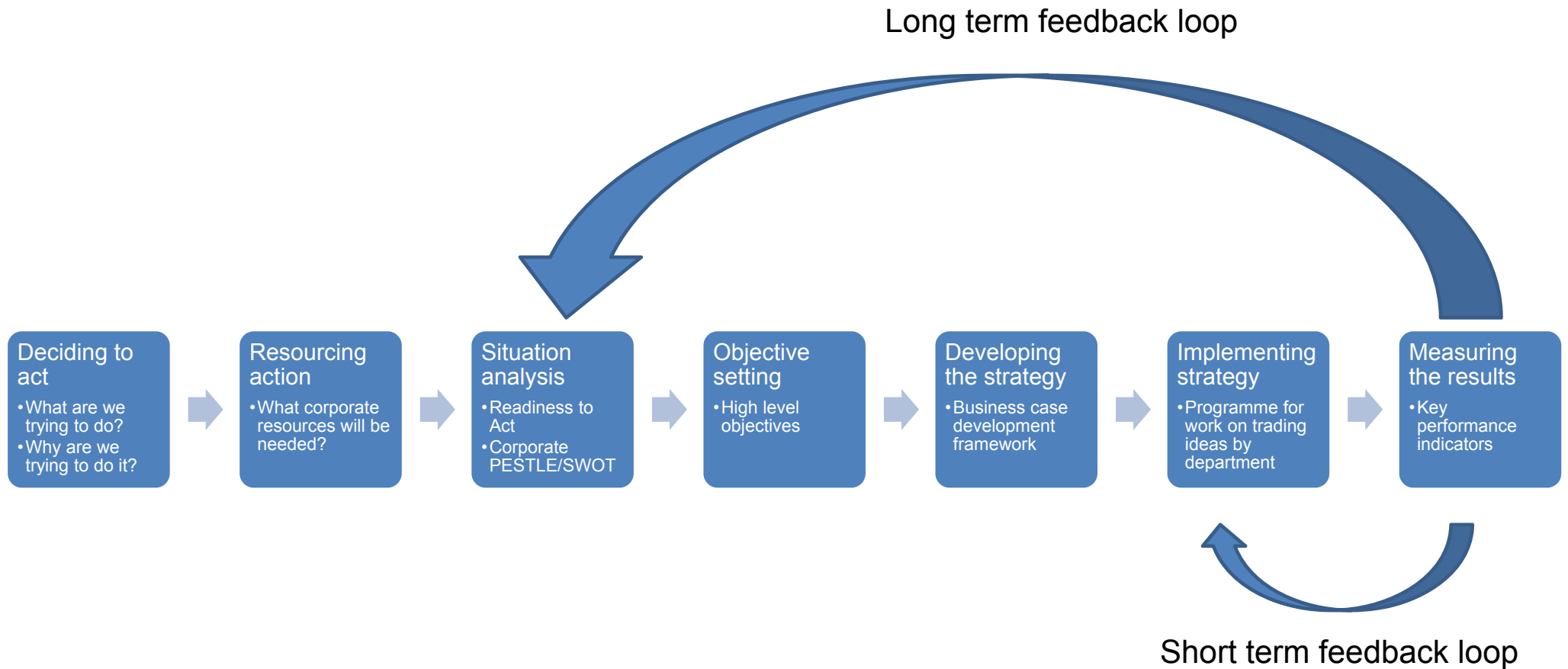




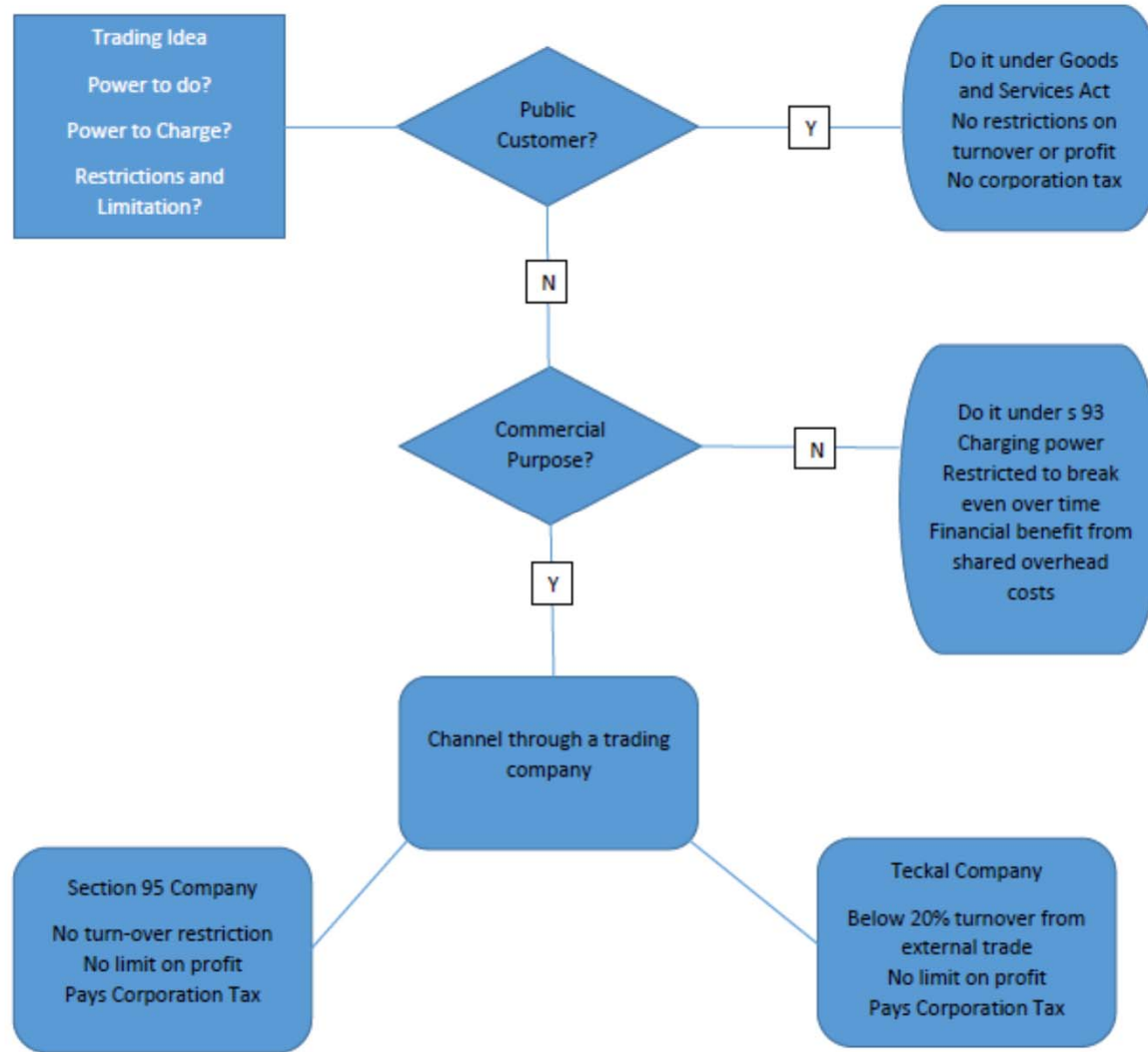
Preparing to Charge or Trade

Andy Mudd

Commercialisation Strategic Planning Model



Trading or charging: where to start





A five case model

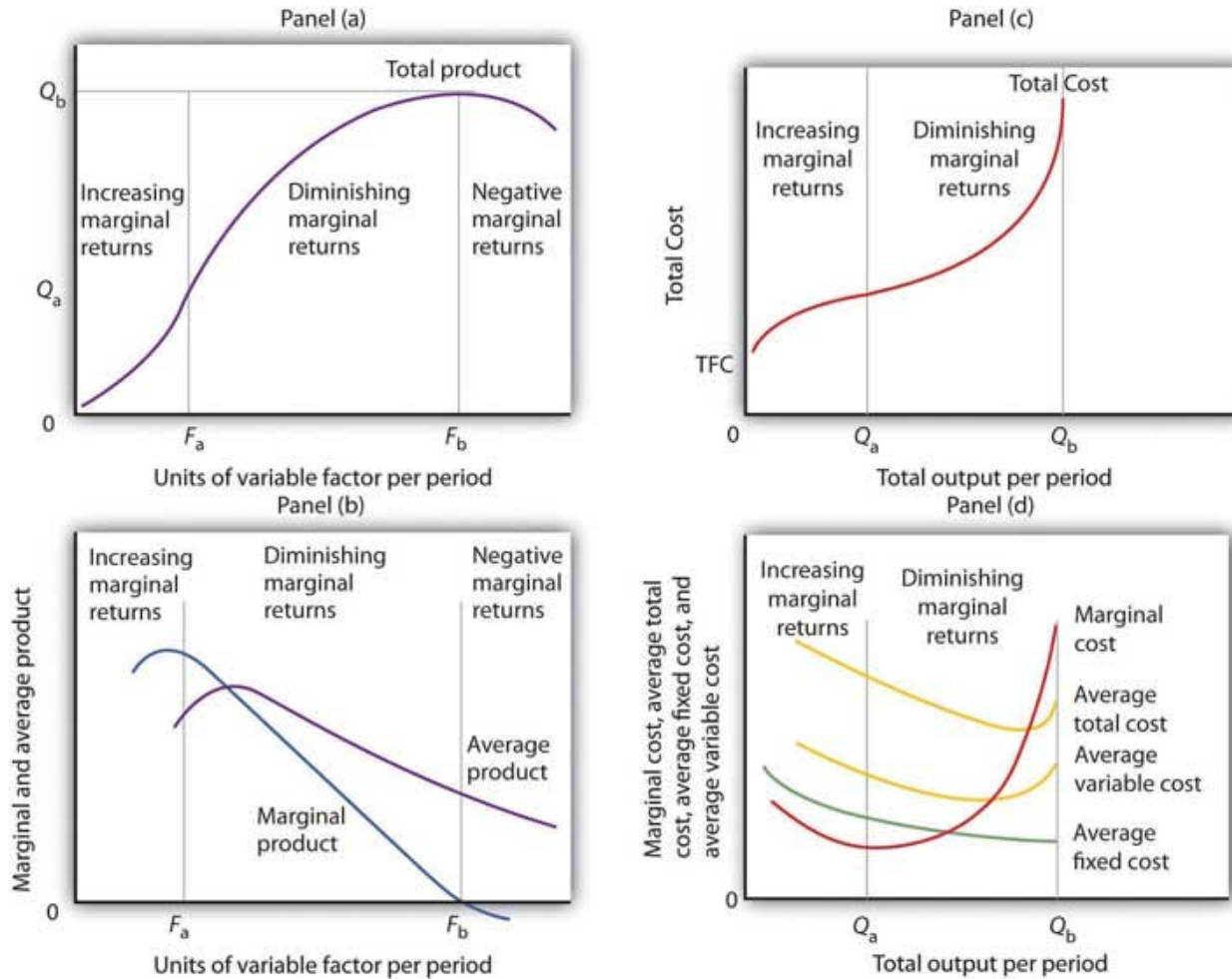
- Treasury guidance
- A balanced approach
- Likely cases but could be different
 - Strategic
 - Legal
 - Financial
 - Commercial
 - Technical or operational



What can go wrong?

- Not understanding demand
 - You may have a great product but if nobody wants it.....
 - And if they don't know you have got it.....
- Not understanding the market
 - Quality or price
 - Incumbents and new entrants
- Cash flow
- Why do initially successful companies fail
 - Marginal cost and the law of diminishing marginal returns

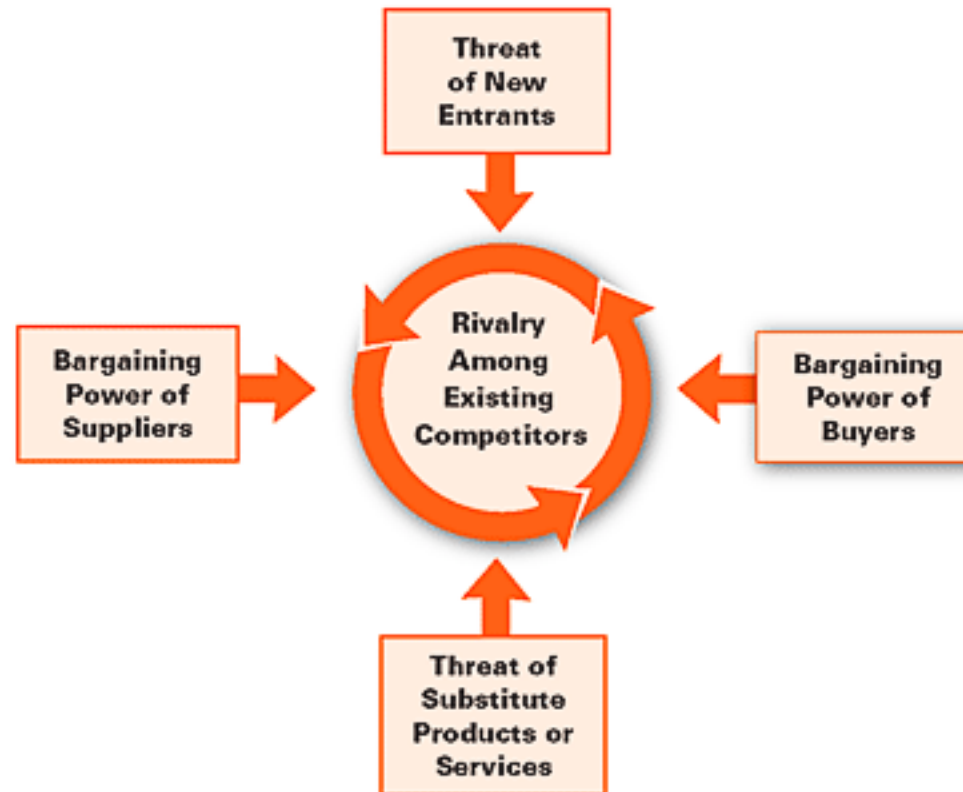
Marginal factors



Understanding an industry



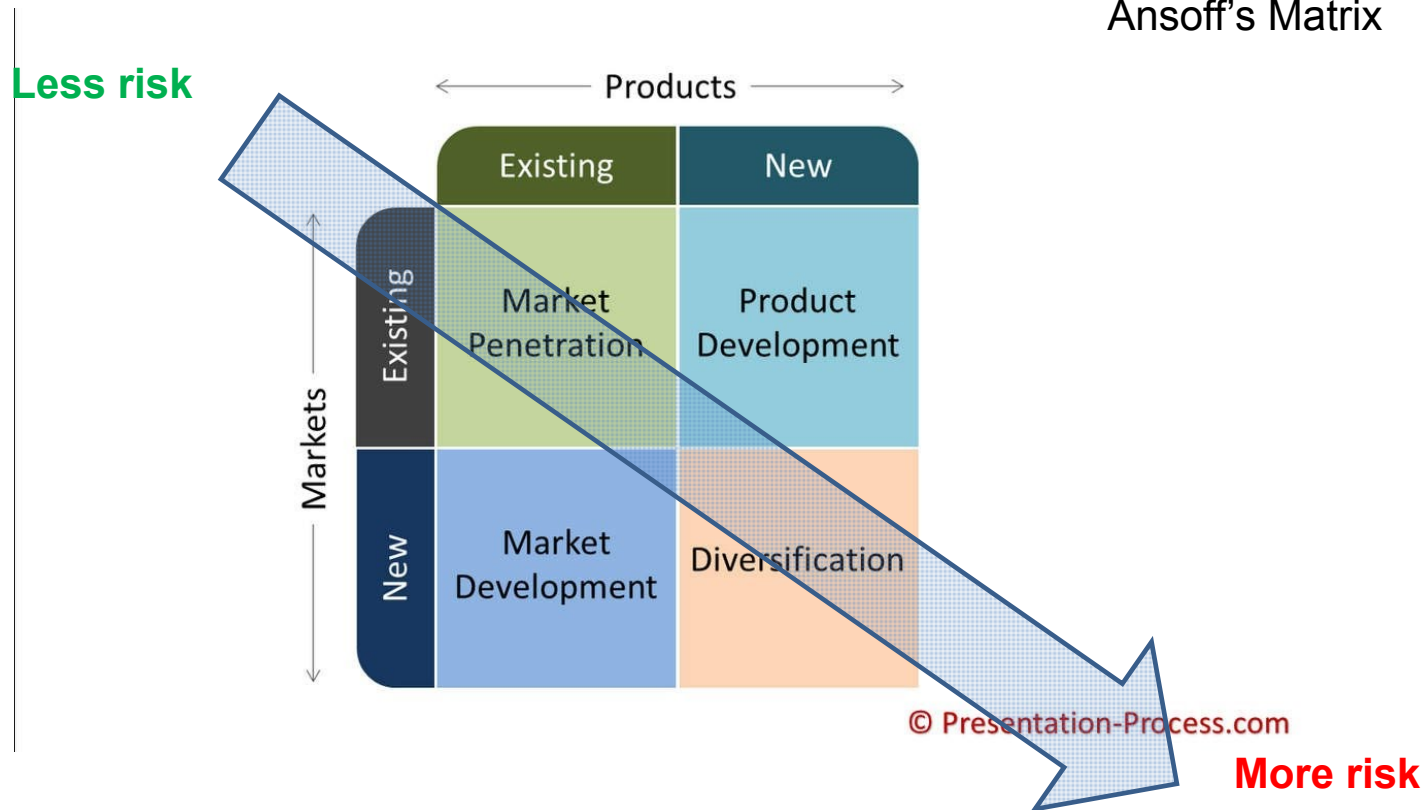
The Five Forces That Shape Industry Competition



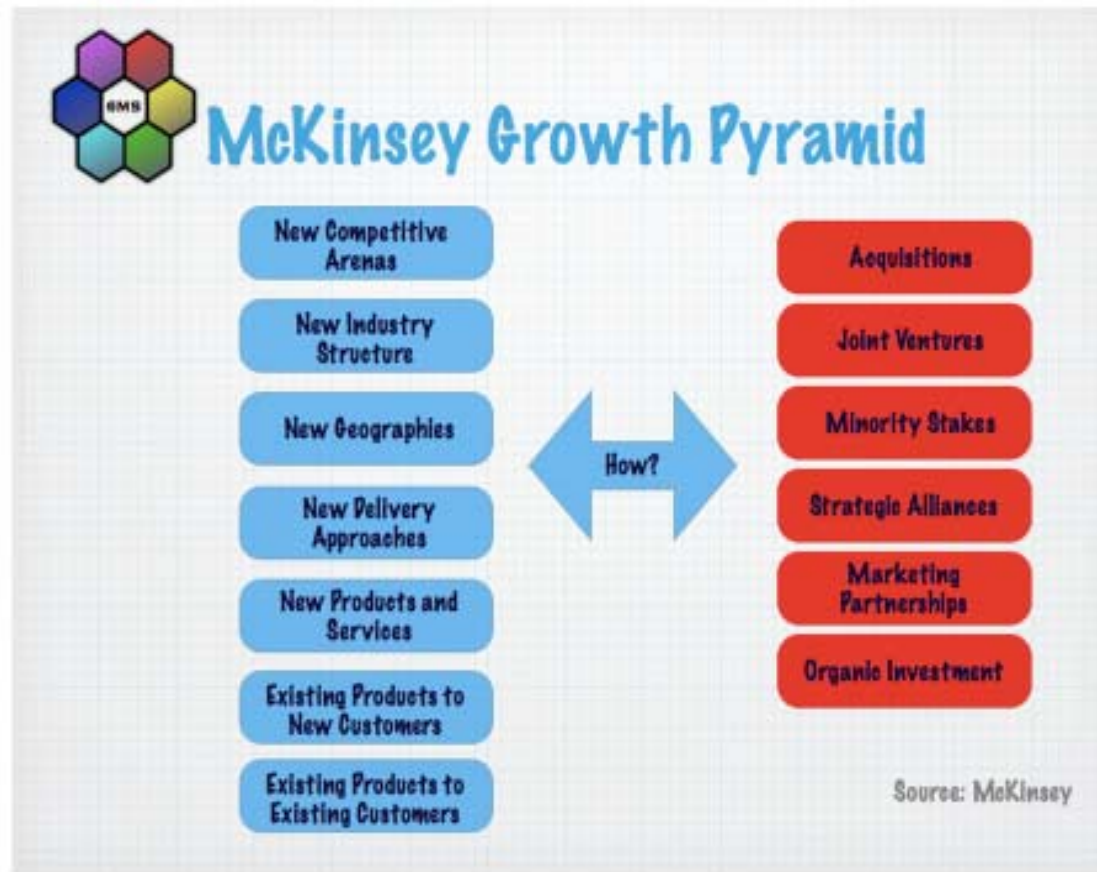
Growing the business – a commercial approach



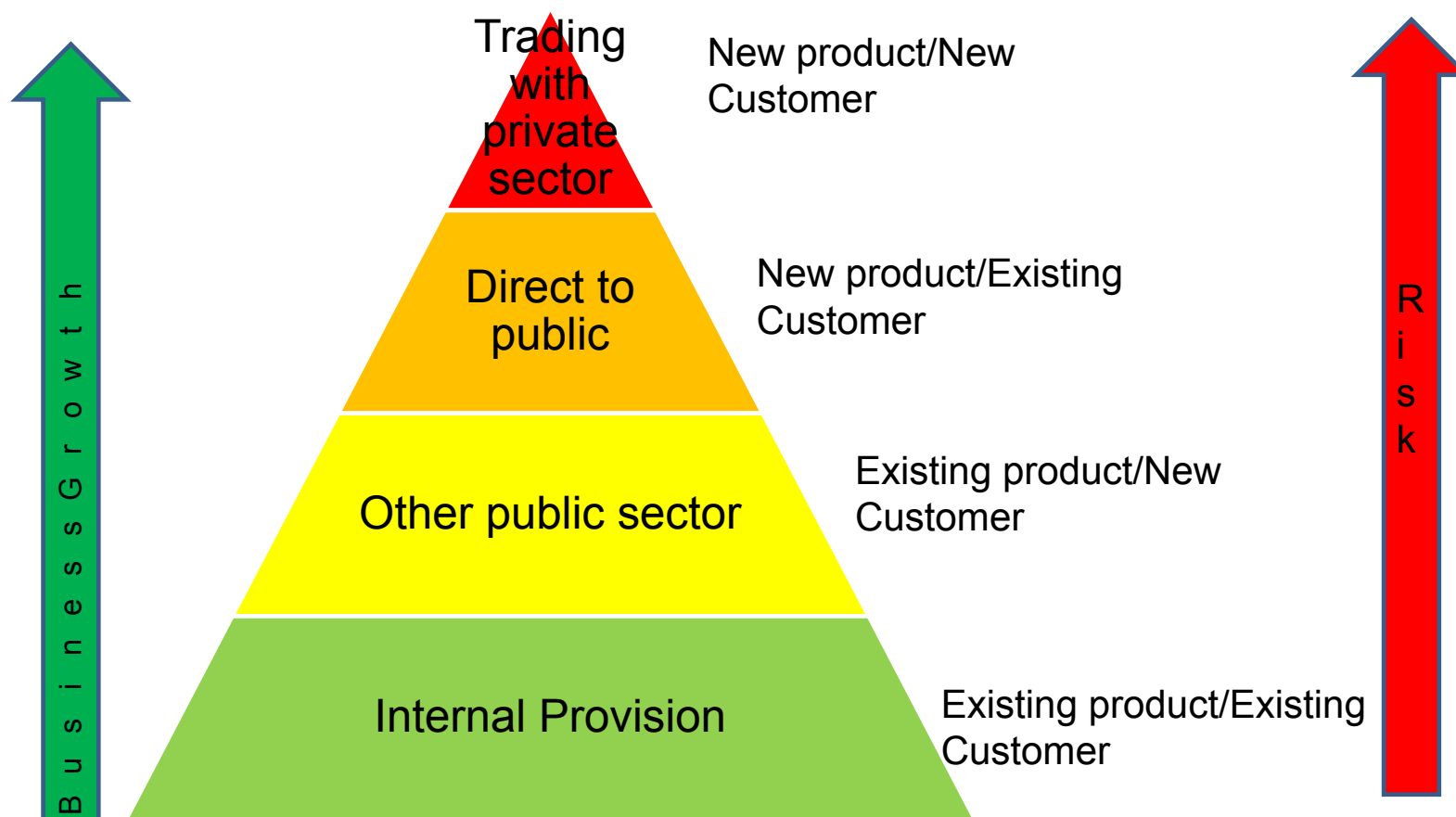
Ansoff's Matrix

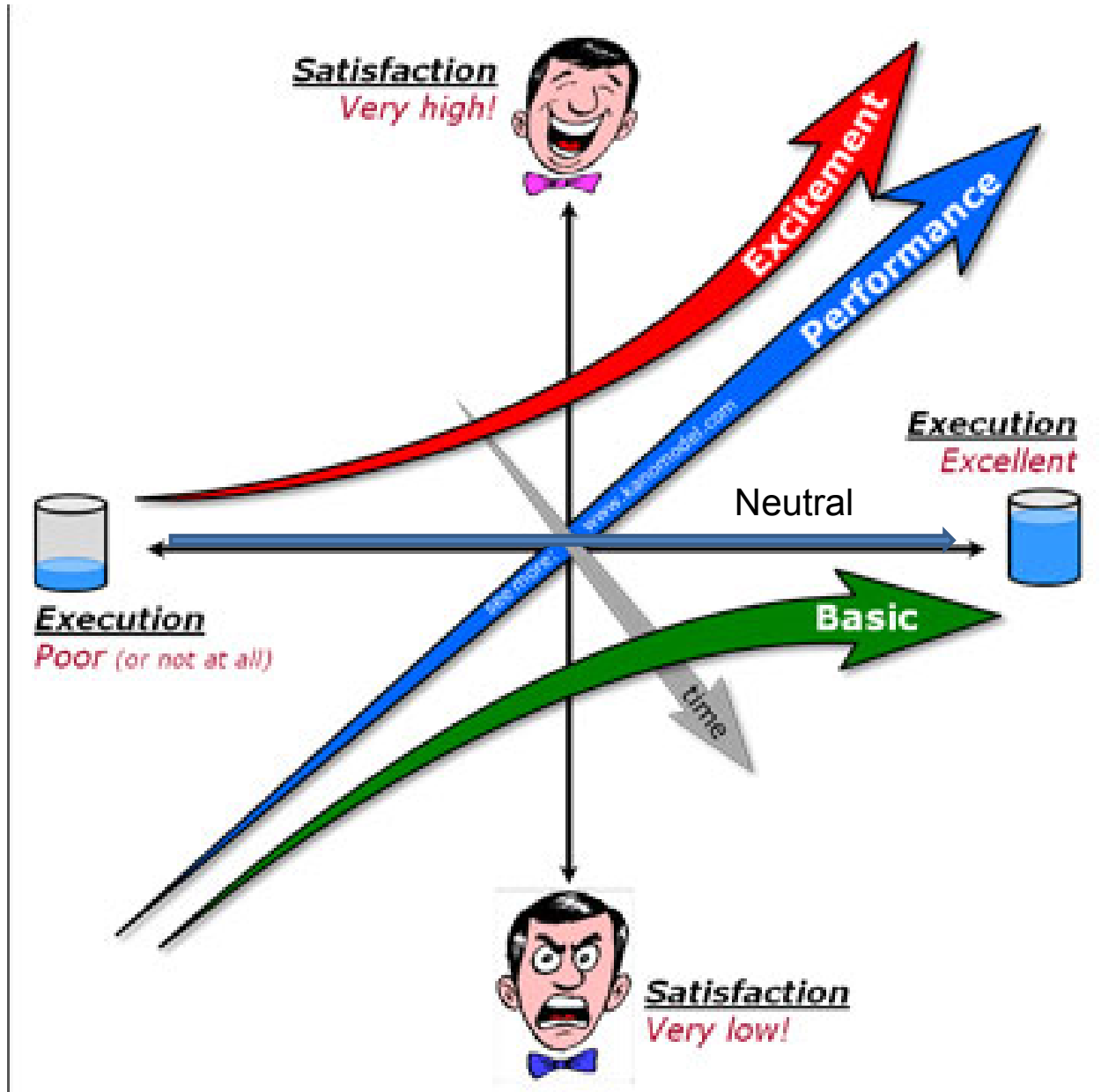


McKinsey Growth Pyramid



In a public sector trading environment





What do customers want?



'Giving the people what they want is fundamentally and disastrously wrong. The people don't know what they want...(Give) them something better'

Samuel 'Roxy' Rothapfel

Blue Ocean Strategy: Demand Innovation

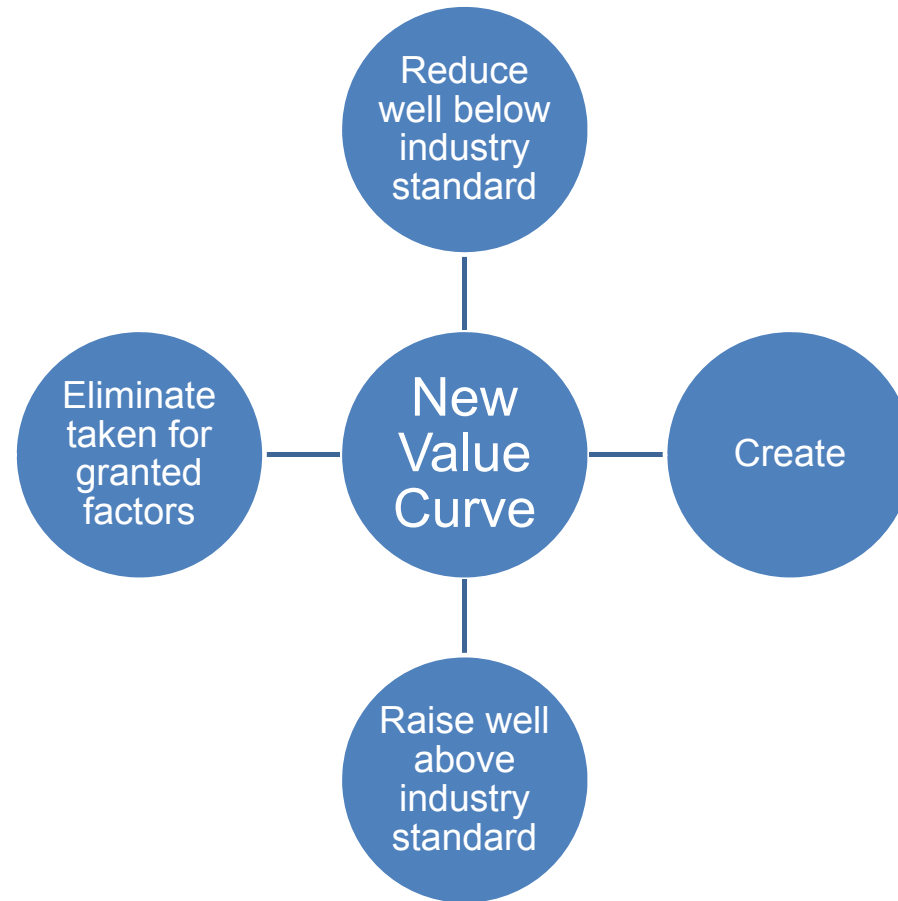


**Key principles: W Chan Kim and
Renee Mauborgne
Blue Ocean Strategy Unit: INSEAD**

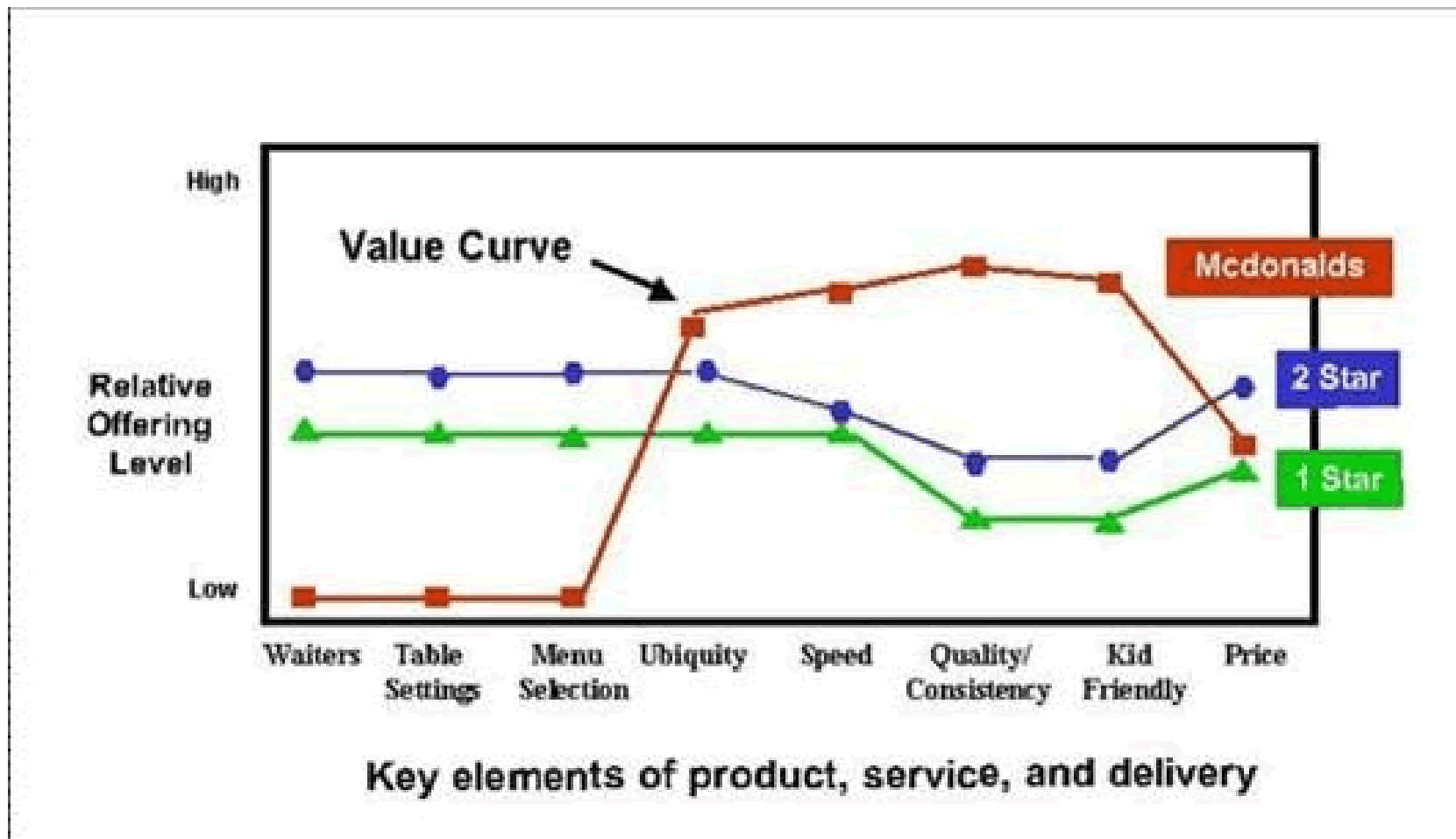


- Value innovation
- Thinking beyond competition strategy
- Creating new demand
- Finding uncontested market space
- Avoiding commoditisation of product

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

Andy Mudd, Head of Solutions, APSE

Email: AMudd@apse.org.uk

Interim management requirements

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

Emma Taylor, Client Coordination Officer, APSE

Email: etaylor@apse.org.uk

www.apse.org.uk



Association for Public Service Excellence
2nd floor Washbrook House, Lancastrian Office
Centre, Talbot Road, Old Trafford, Manchester M32

0FP.

telephone: 0161 772 1810

fax: 0161 772 1811

www.apse.org.uk