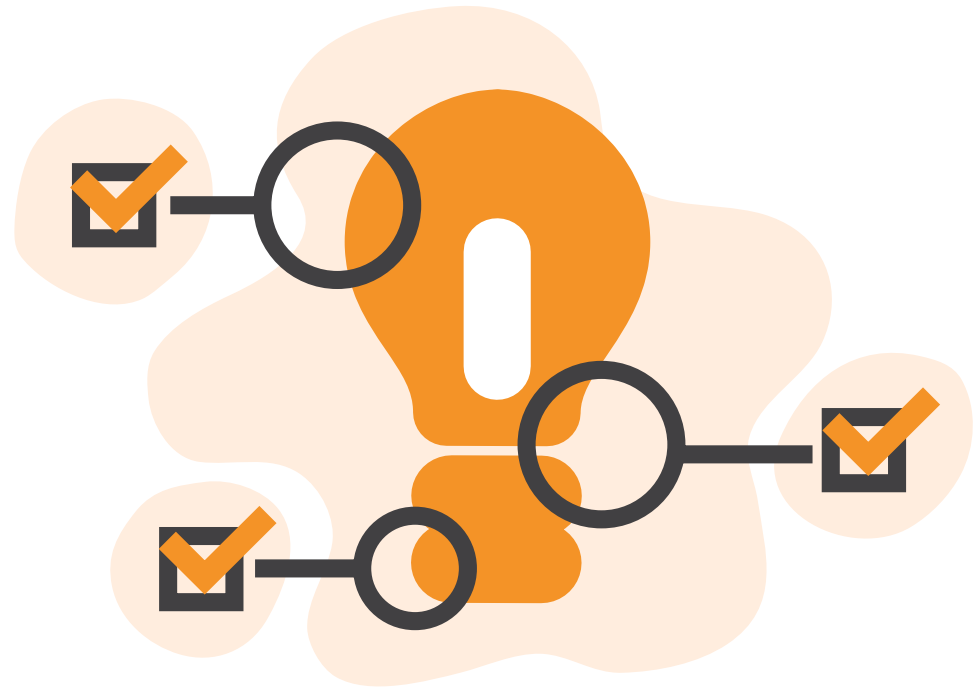


ST.11

Evaluate ideas for new markets, products and selling points

Requires dialogue

The aim of this activity is to evaluate in a systematic manner the ideas previously generated for new markets, products and selling points.



INPUT

- Ideas for new products, markets and selling points from the activity *ST.10 Generate ideas for new products, markets and selling points.*

OUTPUTS

- An initial estimate of the risks and benefits associated with each new combination of product, market and selling point. This output is used in the activity *ST.12 Select which ideas for new markets, products and selling points to include in the strategy proposal.*

ST.11 Evaluate ideas for new markets, products and selling points

The evaluation of the ideas you have generated for new markets, products and selling points should be completed using the *Strategy Idea Evaluation template*. The template helps you to assess the potential benefits and risks of each of the ideas. The potential benefits are measured in terms of the economic, environmental and social benefits that they will bring and how these will contribute to achieving the strategic goals. Note that the benefits are generally rough estimates at this stage as, unless you have been able to collect some relevant data during the In-Depth Assessment, there is typically not enough information available to make more precise estimates. The risks are evaluated by considering if the product, market or selling point are new – the newer elements there are the higher the risk.

HOW TO GO ABOUT IT

1. Select one of the ideas you have generated for a new product, market or selling point. The first step is to define the specific combination of a market, a product and a selling point. For example, if it is an idea for a new product, decide if it would be sold into an existing market using an existing selling point. If it would, continue directly to step 2. Otherwise decide what market it would be sold into and what selling point would be used before proceeding to step 2. Similarly, for a new market idea you must first define the product and selling point; and for a new selling point idea you must define the product and market.
2. Enter the details of the market, product and selling point you have defined in the Risk Evaluation section of the *Strategy Idea Evaluation template*.

3. For the risk evaluation, simply state if the market, product and selling point are new or based on an existing one. Where something is new, give it a score of 1 and if it is based on the existing situation give it a score of 0. Add up each of the scores to get a rating, where a total of 0 is 'Low', 1 is 'Medium', 2 is 'High' and 3 is 'Very High'.
4. For the benefits evaluation, you will need to do some basic research to estimate the economic, environmental and social benefits of the idea. The benefits should be quantified where possible, keeping in mind that these will be very approximate figures at this stage.
5. Identify which of the strategic goals the benefits will contribute to. If an idea does not contribute to any of the strategic goals then it should be eliminated from further consideration.
6. Repeat this process for each of the ideas generated until you have evaluated all of them.

Template of Strategy Idea Evaluation

Idea title	
Risk	Benefit
Product	Economic
Market	Environmental
Selling point	Social

Strategy idea evaluation

Project _____

Date _____

Version _____

Idea title _____

RISKS				BENEFITS		
Type of risk	Description	Existing or new?	Risk score	Type of benefit	Description	Fit with goals
Product				Economic		
Market				Environmental		
Selling point				Social		
		Total				
		Risk rating				

ST.11 Evaluate ideas for new markets, products and selling points

LEARNING CASE STUDY OF STRATEGY IDEA EVALUATION

Idea title Use sustainability as a selling point for existing products

RISKS			
Type of risk	Description	Existing or new?	Risk score
Product	Tinned tuna - 200g	Existing	0
Market	European consumers with strong interest in sustainability	New	1
Selling point	Sustainability (sustainable sourcing and low carbon footprint)	New	1
Total			2
Risk rating			High

BENEFITS		
Type of benefit	Description	Fit with goals
Economic	Estimated total available market of \$4 million in 2016 and growing at 5% per year	Share of total sales from 'sustainable' product lines to be at least 30% within 3 years
Environmental	300 tonnes of tuna purchased each year by Tasty Tuna will be sustainably sourced	Reduce fishing of immature tuna and fishing within tuna breeding grounds by 90% within 3 years
Social	Will create around 10 new fishing jobs due to change to less intensive fishing methods	Support the creation of 20 fishing jobs in boats operating sustainable fishing practices within 2 years

ST.11 Evaluate ideas for new markets, products and selling points

TIPS & TRICKS

ESTIMATION OF BENEFITS

The potential benefits you estimate will be very approximate at this stage but they can be improved as you define the idea more precisely later in the process.

→ Further information in the Agri-food, Chemicals and Metals Supplements



ST.11 Evaluate ideas for new markets, products and selling points

LEARNING CASE STUDY OF STRATEGY IDEA EVALUATION

Idea title Use sustainably sourcing of the mangoes and health benefits as selling points for existing products

RISKS				BENEFITS		
Type of risk	Description	Existing or new?	Risk score	Type of benefit	Description	Fit with goals
Product	Mango pulp	Existing	0	Economic	Estimated total available market of US\$ over 10M growing at 13% per year	Contributes to the goal of increasing sales by 100% in the export market within 5 year through marketing of sustainable products
Market	Domestic and export markets with a strong interest in sustainability	New	1	Environmental	Reduces the amount of agrochemicals used in mango production by 100% and eliminates the use of all toxic chemicals (e.g. calcium carbide) during processing	
Selling point	Sustainable and healthy	New	1	Social	Eliminates handling of hazardous chemicals for farmers and factory staff. Health benefits for consumers.	
		Total	2			
		Risk rating	High			

ST.11 Evaluate ideas for new markets, products and selling points

LEARNING CASE STUDY OF STRATEGY IDEA EVALUATION

Idea title: Use sustainability as a selling point for existing products			
Type of risk	Description	Existing or new?	Risk score
Product	Corporate wear and infant clothing	Existing	0
Market	Domestic and export markets with a strong interest in sustainability	New	1
Selling point	Sustainability (organic cotton, safe chemicals used in production)	New	1
Total			2
Risk rating			High

