

Can you
afford
to do
new
.....
business
as usual?

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The Real Challenge of Business Development

“Technical people are highly creative, but their ideas are all in the clouds. You have to come down from the clouds and prove that ideas have relevance. Synergics provides just such a reality check, and they do so quickly and cost-effectively.”

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Director, Marketing & Business Development,
Multinational Electronics Manufacturer

Most people think that coming up with new ideas and technologies is the hard part of new business development. Action-oriented, results-driven executives and managers know better: Because the pace of new business commercialization is frustratingly slow and the odds of success are low, *getting the right ideas quickly and profitably to market is the real challenge.*

Why does it take so long and cost so much to commercialize new products, processes, technologies, and businesses? Here are five major factors we see from our vantage point, and our clients tell us they see from theirs:

1. Activities tend to happen in a series of linear steps, with hand-offs and sign-offs occurring between different departments, functions and levels of management. This straight line, bottom-up approach consumes time and effort. What's more, it slows momentum, a key success factor in any business endeavor.

2. Many managers are more worried about making a mistake than about making the business grow. As a result, they put off making decisions until they are satisfied that there is no risk to the company, or more importantly, to their own careers. The result is what one of our clients refers to as “new product limbo.”

3. Departments tend to act territorially. For example, researchers are not particularly interested in the problems of production. As a result, issues that could be easily resolved early in the process crop up only later, when they cost more money and take more time to fix.

4. There is a tendency to overestimate how well your new ideas will mesh with customer needs, and to underestimate your competitors' abilities to match your efforts, resources and results. These factors can lead to some rather nasty, and expensive, surprises.

5. The sales cycle can be excruciatingly long. It starts with your sellers trying to find and then reach the right customer contacts (such as designers, engineers, and market managers). After a series of phone calls and meetings, these initial customer contacts must become allies and internal champions who need to obtain design, engineering and general management buy-in. Then, they must also run the decision-making gauntlet of top management scrutiny and approvals. All the while, your people exercise little or no control over the selling process.

The results of these typical practices are only too well known: squandered opportunities, blind alleys, dead ends and progress that is measured in years, rather than weeks or months. The opportunity costs associated with these standard business development activities are high, indeed. Many executives tell us that the “burn rate” for developing new technologies and products can run as high as \$100,000 a day or more.

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Understand the Marketplace BEFORE You Get There

"Your organization has shown a unique ability to identify and recruit key industry leaders. What is even more remarkable is how you were able to recruit such high profile individuals without revealing our identity. By keeping our identity confidential, all biases toward the business concept owner were removed."

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Letter from a Business Director, Fortune 50 Advanced Materials Company

Obviously, "new business as usual" is not really good business. It would be far better to cut through all of the steps and hierarchies to speak directly with the market's trend setters and innovators – people who can help shape and validate business concepts at the front end; and then champion, influence or actually make decisions leading to commercial activity. Having this capability would ensure better and faster decision making, thus improving the odds of success while cutting time and cost to market.

Persuading the influencers and decision makers to sit down and discuss your new business concepts, products and technologies is exactly the service that Synergics Corporation provides. Reaching out through our global network of contacts and resources in domestic and international companies, we assemble the principal technologists and early adopters (we call them *Opinion Leaders*), pertinent to your particular new business venture and help them to:

- Articulate their current and projected needs
- Learn how your new technologies, products, or services can help fill those needs

- Provide insights and suggest improvements that will make your ideas even more marketable
- Begin discussions that can lead directly to commercial action.

Reducing the time and money needed for successful new business creation

Clearly, the ability to quickly and successfully shape new concepts and launch new products, technologies and businesses creates enormous efficiencies. The combination of a higher success ratio plus faster time to market leads to significant financial gains versus traditional approaches.

We call our market-directed philosophy of new business development *Accelerated Commercialization®*. It puts your concepts, products and technologies directly into the hands of Opinion Leaders i.e., market innovators, who offer both the best and fastest way for you to realize the full potential of your offerings.

Who are the Opinion Leaders?

We use several criteria for qualifying people as Industrial Opinion Leaders and for determining which of them to include as project participants. Here are a few of these factors:

- The company for which the opinion leader works is a participant in an industry or market where the potential for your concept or technology is suspected to be high. Thus, the company is a prospective customer or collaborative partner.
- The company must be considered an innovator in its field, and likely to be among the first few to implement a new technology.
- The Opinion Leader is the one individual in that company who can best assess and evaluate your offering. Often, this person is that company's top technical or commercial development executive in the particular area of interest.
- This person possesses the authority to launch a commercial relationship with you, or is in a position to directly influence such a decision
- The Opinion Leader must be willing to sign a secrecy agreement
- There must be no known or potential conflicts of interest among any of the opinion leaders, their companies or your firm.
- Opinion Leaders must be willing to invest time and effort while contributing with candor and good humor!



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How (ergo Why) Synergics' Accelerated Commercialization® System Works

"The speed at which Synergics' process operates, combined with the opportunity to make the right decision, has saved us a tremendous amount of time and money."

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Director, Market Development, Multinational Chemical Producer

We apply one overriding principle to all projects: *let the market provide the direction through active collaboration with Opinion Leaders.*

As a seasoned executive or manager, you already know the value of learning from the marketplace and your potential customers. It's our job to help you capture that value and put it to maximum use.

To do so, all projects must meet three criteria:

1. There must be candid dialog with, and accurate assessment from, the marketplace. Our use of appropriate Opinion Leaders ensures that our clients receive the feedback they need to make accurate assessments and correct decisions regarding their technologies and products.

During the early conceptual stages, Opinion Leaders are usually interviewed "one-on-one." Later, when products or technologies are actually being readied

for market entry, these leaders are often brought together in a Summit Forum™ as part of our proprietary Accelerated Commercialization® system.

2. There must be a system in place to assure that the full value of Opinion Leader input is captured and put to good use. We have developed the tools and expertise needed to recruit, motivate and focus opinion leaders on the task at hand, and to facilitate discussions which can lead directly to sales, collaborative agreements, joint ventures or other commercial activities.

3. Client sponsors must be directly involved in planning and key decisions. There is no magical "black box" associated with our approach. In fact, it is remarkably transparent. Clients are involved in every phase of planning, analysis and decision making.

This involvement ensures commitment to the process and builds the teamwork, trust and dedication needed to successfully launch new businesses, products and services.

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Case History: Accelerating commercialization of a water purification system.

The principal of this start-up firm had developed a new water purification technology. He believed that systems enabled by this technology would have cost and performance advantages over systems employing traditional technology.

Problem

Although there were many potential application areas, the firm's limited resources meant that a few very focused, high-potential markets had to be discovered. Furthermore, the firm needed short-term sales opportunities in order to demonstrate to new customers the technical superiority of the new technology.

Solution

Project planning by Synergics and the sponsor led to the assembly of opinion leaders from North America, Europe and the Middle East into a Synergics Summit Forum™ panel. Some panelists were concerned with waste water management, others with the production of potable water.

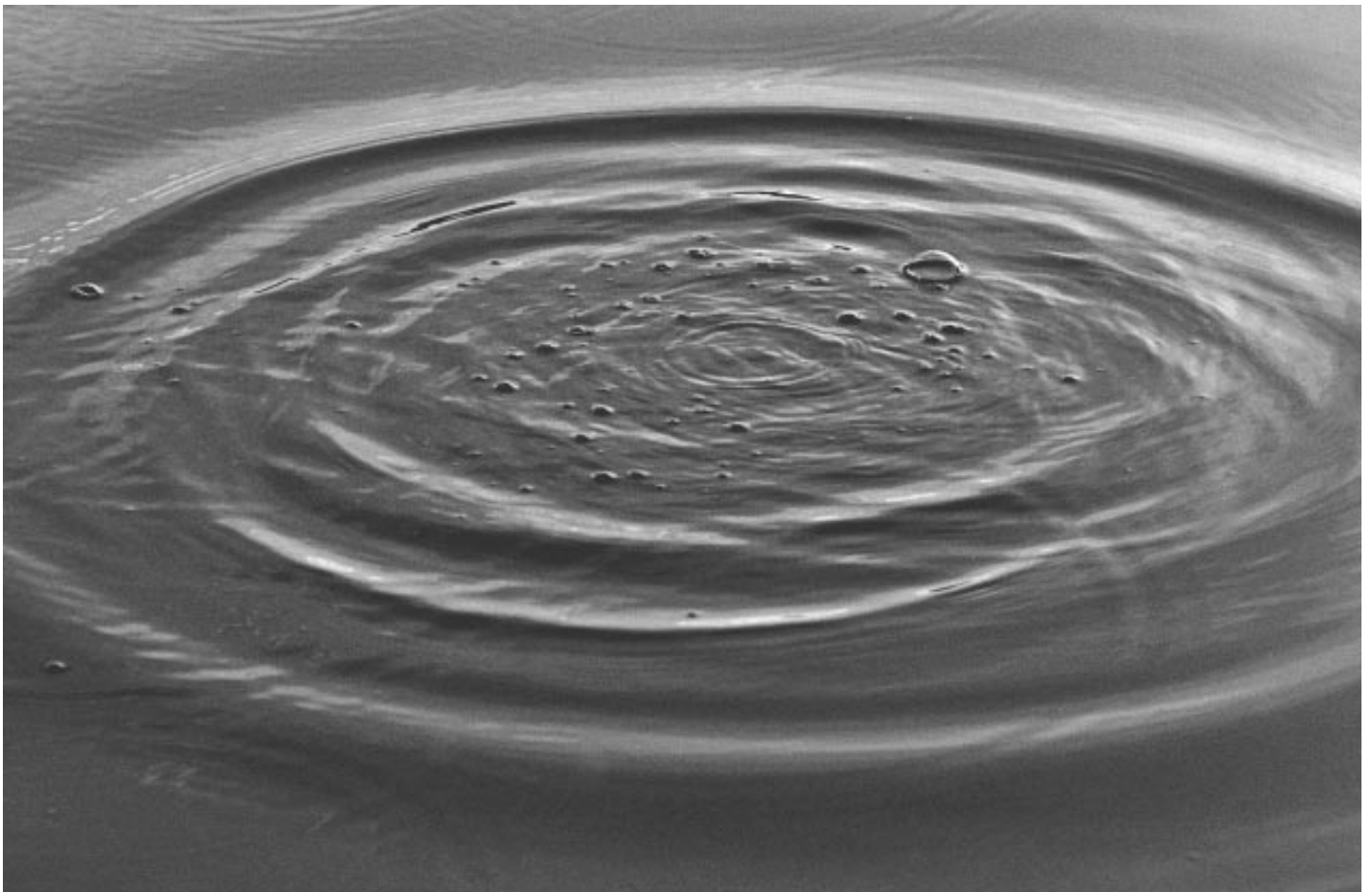
Outcome

The panel identified specific applications where the new technology could deliver immediate performance and financial benefits; mapped out a host of short and long term applications for the technology; and within two months of the Summit Forum, initiated

preliminary negotiations for joint development projects.

Results

1. Over half the panelists offered to commit significant technical and marketing resources to application development and testing, provided they could benefit from a lead time advantage in their industries.
2. The Summit System provided the rationale and support needed by the sponsor to raise several million dollars for scale-up.
3. The firm was able to form alliances with at least two panel companies to accelerate international commercialization.



We Know You Have a Few Questions

“One of the UK-based international pharmaceuticals that participated in a Synergics' Summit placed an order for the manufacture of medication dispensers. Success with the recently signed deal may lead to a long partnership with this multinational company.”
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Letter from the President of a European Packaging Devices Manufacturer

Most people understand the value of accelerating the commercialization process. They also see why going right to opinion leaders in high potential business segments will improve the odds of success while saving time and money. Nevertheless, if you're like most executives, you want to know a little more about *how* our process works. We're happy to explain.

Does all of your work revolve around use of "appropriate" Opinion Leaders?
Virtually all of our efforts center on obtaining quality input from Opinion Leaders. These are the people who can quickly decide if a new product or technology fits their company's needs. Importantly, these are also the people who can make or significantly influence purchasing decisions.

How do you find these people?
We maintain an ongoing program to enhance our technology for identifying and securing the direct project involvement of top industry personnel. We find them through referrals, substantial marketplace networking and intense investigative research. As you might suspect, many of our clients fit this category, and we utilize them as well.

Why do these people participate in the Synergics process?
Opinion Leaders participate for a variety of reasons. By their very nature, opinion leaders are generally and genuinely interested in being the first to know what's new. They are looking for opportunities to provide their companies (and themselves!) with a competitive advantage. They also like the opportunity to interact with their

peers during our informal, yet challenging and stimulating, Summit Forums™.

Why can't we just copy the Synergics process and do it ourselves?
First, we provide something that is essential to the process of getting honest feedback and suggestions: anonymity. As a neutral third party, we create a moderating buffer that allows participants to feel comfortable about seriously and honestly discussing the issues at hand.

Second, we bring a unique ability to motivate, steer and facilitate these discussions. We have spent more than a decade refining the tools and processes needed to ensure that sponsors and panelists are thoroughly and properly prepared, and that meetings lead to desired outcomes.

What is your success rate?
An extremely high level of client satisfaction has resulted from the Accelerated Commercialization® system commercially in use since 1989. This satisfaction has come from a variety of outcomes:

- Non-viable ideas are quickly and efficiently weeded out by the marketplace before large investments are made.
- A pool of high potential ideas and technologies is quickly and rather inexpensively developed and “concept tested” against the needs of the market.
- Commercial actions such as testing or sampling occur far more quickly than through traditional sales channels.

A good way to measure our success is to review the amount of new business we obtain from current clients and the number of projects garnered through their referrals. We're happy to say that over 85 percent of our revenues are derived from these two sources.

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Case History: A new international company commercializes a unique packaging technology.

A joint venture was established by North American and European firms wishing to combine technologies and develop the next generation of Modified Atmosphere Packaging (MAP) for the global produce industry.

Problem

Earlier generations of MAP processes had mixed results in the market and required new and different packing procedures versus standard produce packing. Consequently, acceptance had been low and a substantial barrier to trial needed to be overcome.

Solution

To develop a commercially viable system, it was first necessary to concurrently probe the performance, financial parameters and logistics of the packaging system needs of growers, distributors and retailers. An international Summit was convened, with panelists from North American and European produce, distribution and retail/supermarket industries.

Outcome

The results of the Summit and follow-up interviews clearly identified the market opening and need. Engineering and marketing leaders from the two parent firms were then able to redesign and refocus

the development and marketing direction into areas of high multi-national opportunity.

Results

1. Commercial systems were licensed to major growers in the United States and southern Europe and produce began shipping to supermarkets (two of which were also Summit panelists) at the start of the next harvest.
2. The joint venture has prospered and been able to secure substantial additional funding from the parent organizations as well as from outside investors.



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What You Can Accomplish By Using Accelerated Commercialization®

“Synergics gets you focused on opportunities that are more likely to be successful. They bypass all of the internal politics and get right to the decision makers. They can push a customer harder than we can. I can’t imagine anyone not being satisfied.”

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VP, Technology & Business Development, Global Fortune 50 Company

The utilization of high level Opinion Leaders has broad application across the spectrum of business development activities. **T**OL Panels have the power to help conceive, shape, forecast, assess and target new businesses, technologies and products. We have reliably used these panels to help clients:

- Introduce new technologies to multinational markets
- Structure strategic alliances to gain access to new markets and technologies
- Enter new markets with existing, perhaps under-exploited, technologies
- Forecast future marketplace needs to focus R & D efforts
- Launch new products, services or businesses in unfamiliar markets
- Secure market intelligence, forecast the future of an industry and/or identify new market and business opportunities
- Search for, acquire or license new technologies, capabilities and companies
- Assess the value and potential of new technologies and business directions, etc.

How to tell if Synergics' services are right for your company

If any of the following situations sounds familiar, we can help you to more successfully commercialize new business concepts, technologies or products:

1. **You have a number of technologies** sitting on the shelf. Everyone agrees that some have value, but no one can seem to pin down which ones have the most value, and in which markets or applications.
2. **It's costing you too much time and money** to commercialize new products and businesses.
3. **Your firm's commercialization success rate is low.**
4. **Your firm is strong in research and engineering**, but not as strong in the areas of marketing, market research, executive-level selling or inter-corporate relationship building.
5. **You need to develop a new "vision"** for a business, or a new "platform" for venture activities.
6. **You have nothing new in the pipeline** right now, but have the desire to grow a particular product or market area.

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Case History: A U.S. manufacturer discovers the breakthrough potential of a new polymer.

The R&D department responsible for new structural plastics had already spent several million dollars, over a number of years, in the development of a new polymer technology. No commercial actions were in sight.

Problem

Sales potential from this technology was thought by the R&D group to be in the \$10 to \$50 million per year range. Given the total lack of sales leads, management questioned the appropriateness of continuing the program, and asked for an in-depth evaluation of the market opportunity.

Solution

A comprehensive analysis of the company's needs and objectives was performed, and an intimate understanding of the technology and its developers' original vision was developed. Then, Synergics assembled an extremely diverse panel of multinational companies from thirteen major industries where application opportunities were suspected.

Outcome

The panel completely refocused the development efforts toward new product properties, enabling breakthrough applications and new market directions. Confidential meetings were conducted with high level technologists plus business devel-

opment and marketing executives from each of the panel companies to further refine development direction and business potential.

Results

1. Sales potential was revised upwards, in excess of \$300 million per year, and management continued to fund the program.
2. R&D was immediately redirected to address the newly identified focus.
3. Within a year, initial sample quantities of the redefined product were in the hands of the first strategic customers from this Summit Forum™.



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Examples of Synergics' Clients and Panelist Firms

As the saying goes, *you're known by the company you keep*. We're proud that our clients and panelists are recognized worldwide for their technological innovativeness, as well as for their business and market leadership.

Here is a representative list of client and panelist companies:

"Synergics has assembled exactly the right people to discuss our business concept and define areas where we might establish a working relationship. The positive reception we have received is due largely to having the correct people in attendance (at the Summit Expansion Workshops)."
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Sales Director, Global Industrial Products Supplier

- 3M
- ABB/Daimler-Benz Transportation Systems
- Akzo Nobel
- Albert Fisher Group
- Aquamax
- Avery Dennison
- Avon Products
- BASF
- Baxter Healthcare
- Bayer Chemical
- Bechtel
- BMW
- Courtaulds
- Dannon
- Dell Computer
- Dole Food
- Dow Chemical
- DuPont
- Exxon
- Fluor Daniel
- General Electric
- Glaxo
- GWS Perlos
- HB Fuller
- Hoechst Celanese
- Hoffmann-LaRoche
- ICI
- Jefferson-Smurfit/CCA
- Johnson & Johnson
- Kimberly-Clark
- Kohler
- Kraft General Foods
- Loctite
- Marine Colloids
- Nalco Chemical
- Neste Chemical
- Nike
- Nokia
- PPG Industries
- Purolator Products
- Red Devil
- Rhône-Poulenc
- Robert Bosch
- Rockwell International
- Rohm & Haas
- Sandoz
- Sandvik
- Shell Oil
- Sherwin-Williams
- Siemens
- Steyrermuhl Papierfabriks
- Stop & Shop Supermarkets
- Sulzer Brothers
- Tambox Europe
- Texas Instruments
- Textron
- Th. Goldschmidt
- United Paper Mills
- Valio Finnish Co-Operative Dairies
- Valmet Paper Machinery
- Veitsiluoto/Forchem
- W. L. Gore & Associates
- Weyerhaeuser
- Xerox

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Case History: A manufacturer of diversified industrial products seeks to create a new service business.

Senior business executives were looking to convert a high cost, technical support area into a profitable, stand-alone business. They thought that existing people and hardware resources could be combined with additional outside resources to create a unique and profitable service offering.

Problem

Relatively little was known about the many competitive offerings in this business; competitive openings for a new player; or about market needs for these types of services. The company needed to further shape the business concept to establish a strong competitive advantage in a very crowded market.

Solution

Opinion leaders from widely diverse end-user markets were assembled in back-to-back Summit Forums™. The objective was to understand the current and projected openings and needs for services of the types imagined; and determine the degree to which these needs were being satisfied by existing players.

Outcome

Through close cooperation and an iterative learning process with these leading companies, a unique service package and market entry strategy came into focus. The market input and business shaping process had converted the original hopes

of management into a commercially viable new business.

Results

1. The Summit panelists, having in effect “designed” the new company in ways that would best serve the needs of their own firms, immediately requested direct contact with the management team of the new company to explore both short and long term services.

2. The new company received several requests for proposals from panelists within the first months following the initial Summit. The company now projects a high-profit business with annual revenues of \$50 to \$100 million.



Selling Prospects on Your Products Before You Launch Them

Synergics can help your company successfully develop and accelerate the commercialization of new technologies, products and services. We use a proven, market-driven process underpinned by three critical factors:

- **Involving the right people**
We recruit "appropriate" Opinion Leaders, the people best able to help you shape opportunities and assess the value of your technology or business concept to the marketplace; provide insights that can improve the odds of success; and take commercial action on behalf of their companies.
- **Doing the right things**
Our proprietary analytical and facilitation skills encourage Opinion Leaders to openly and frankly discuss their needs, evaluate your offerings in light of those needs, and contribute high quality information that you can use to construct realistic business plans.
- **Getting the right ideas to market, quickly and profitably**
Involving high-level decision makers who can provide dependable, action-oriented input means that you will more easily weed out low-potential ideas and technologies; discover new business opportunities based on market needs; modify strong concepts so that they are highly marketable; and more quickly and profitably initiate sales and other commercial actions. ■

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**You can't afford to do
new business as usual.**

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SYNERGICS

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