



LARGE POTENTIAL MARKET (Market Driver)

- Do you know the potential of your market?
- Is there room to grow within it?
- Do you know what the horizon looks like?

Failure to answer these questions in a systematic way could lead to the equivalent of loneliness as you try to sell buggy wheels to the automotive industry.



The larger the market (tapped and untapped) the more attractive it is because it represents more opportunities. This has little to do with geographics, but more to do with the size of your target audience. You can have a large opportunity in local or regional markets.

Conversely, knowing that you have little opportunity (size-wise) does not mean you're never going to grow. Innovation is key. In either case, you must take a realistic approach to several things:

- Know what your potential is. Find areas where there is room for growth, either by becoming more aggressive (where there is room to run), or by expanding territories, products or services that capture more of what your customers want.
- In the market you must know your competitive advantage. Neither customers nor investors appreciate wanna-be's or look-alikes. They both can easily look for alternatives elsewhere.
- Keep abreast of market trends. There are several bellwether signs that can help you, including your competition (are they expanding or contracting as a whole), are they consolidating (which could indicate bigger players feel that is the only way to expand and smaller players feel it is a good opportunity to get out of the market), or in the very least read industry reports compiled by reputable research firms.

If all signs point to a larger potential market that you currently enjoy, create a plan to capture more of it.



GOAL: Realize that knowledge comes first, so start planning early. You do not want to plan out of desperation.

1. Know how you stack up in terms of the competition. If you don't already own a large market share you may have room to grow by getting aggressive in sales and marketing.
2. Look for areas of fragmentation and innovation in your industry. These point to opportunities.
3. Develop a strong balance sheet as a potential war chest to expand with or for potential slow downs. When times get tough you might be able to expand your market by taking advantage of those who were not so prepared.