

Storage Product Strategies for an Established IT Industry Vendor

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An IDC Consulting Client Success Story from the Market Entry Strategy Practice Area

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Client Challenge – The life cycle of our client's key product line was being shortened by disruptive and alternative technologies. The client had to make investment decisions regarding new offerings and/or new acquisitions to sustain growth. They needed to understand how the new technology under consideration would do in its current and new market segments. They also needed to understand if an acquisition strategy could provide long term success and staying power for them.

IDC Consulting Proposal – IDC determined that the customer needed to understand the current and future "jobs" that its proposed product would satisfy and what its potential appeal would be vs. alternatives. Once we understand the potential uses and segments, we then could map our extensive data and market knowledge to size the TAM for the offering. In relation to acquisitions, we determined that the technology mix and trajectory of potential candidates would be key factors for assessing value and risks of a move.

Methodology – IDC attacked this problem from 3 directions. To begin with, we convened a diverse group of IDC analysts to scan the potential uses – consumer and enterprise – of this new technology. We arrived at ~50 potential applications and then looked at the "job" characteristics of how the product could be used in the application. We then assessed driving requirements (cost, ease of use, functionality for the tasks, channels) for each task and mapped the proposed product's feature and function set against he requirement. As such, we were able to eliminate about 80% of the potential uses as being likely losers for the product. The high potential group included entirely new applications to this company, as well as variations on existing markets. We then sized and forecasted each of the opportunities. In relation to an acquisition strategy, we were able to assess the technology and market value-added that each candidate brought to the table, as well as the goodness of fit with our client's values, culture, and expertise.

Results – Our client re-assessed their investment strategy regarding the proposed product and determined that they needed new partnerships to exploit possibilities in new segments. They were able to avoid costly mistakes of pursuing a bad fit, while maximizing their opportunity by focusing on markets where they had a compelling value proposition. They determined that an acquisition strategy did not fit well with their plans.

IDC Consulting leverages the **trusted** research and analysis of IDC – the premier global provider of market intelligence, advisory services, and events for the information technology industry – to deliver fact-based, actionable advice on all phases of market strategy. With a worldwide perspective, product and service market depth and breadth, and proven **methodologies**, we offer unmatched **expertise** and a superior knowledge of today's marketplace challenges. Our technology and industry analysts join our experienced consultants on a project team with a **commitment** to delivering proprietary conclusions and recommendations that will make you more successful.

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