



**Landscape Reviews: A Foundation
for Strategic Decision-Making**

Photo credit: Thomas Hawk

Better Decisions. More Growth.

Landscape Reviews as a Foundation for Strategic Decision-Making

The essential first step in developing a business strategy for sustainable revenue growth is to perform a comprehensive, systematic review of the business landscape. **Landscape Reviews** yield a foundation of evidence on which to base your strategic decisions.

What is a Landscape Review?

Landscape Reviews are multidimensional, outside-in views of the business. They include deep dives in each of these areas:

- **Competitors.** What are their current and projected business models? What are the trends in terms of M&A, products, and services? What is the profitability and growth in the peer group? What are their functional strategies (IT, HR, Sales, Marketing, Manufacturing, etc.)?
- **Market forces.** Are there emerging substitutes and new market entrants? Are customers or suppliers gaining market power?
- **Markets.** Assess the size and growth rate of current and emerging markets and segments. Assess adjacent markets. Assess the opportunities for entering new markets and segments.
- **Technologies.** Assess current, projected, and emerging technologies. Compare the value propositions of current and replacement technologies. Are there disruptive technologies that could undermine current platforms?
- **Customer access.** Assess current and potential go to market models. Detail targeting and segmentation. Define competitive positioning of products and services, and analysis of value propositions for each offer in each segment.
- **Products and services.** Define the current and evolving value chain in target markets
- **Mega- and microtrends.** Define the impacts of mega- and microtrends on your customers, markets, products and services. How do these trends create and destroy opportunities?
- **Game changers.** Identify potential opportunities for disruption.



Northpoint advised my company CTO and me about a strategy to expand our technology portfolio. They drove a holistic process from business strategy to a curated list of target companies, many that had been unknown to us, to a decision process, to advice on how to succeed long-term. Northpoint brought valuable insights and a fresh perspective.

— Rob Hussey,
Director, Imaging
Technology & Marketing,
Honeywell Handheld Devices

Why should you incorporate Landscape Reviews into your planning cycle?

Executive Engagement. Most executives spend less than one hour per month discussing strategy. Dedicating internal resources or engaging external support for landscape reviews assures not only that the works gets done, but that corporate and business unit executives are actively participating in the strategy development process.

Evidence-based decision making. Landscape Reviews help to assure that the corporate strategy is based on the best available information, and not on gut instinct or opinion. They provide a common fact base for all executives engaged in the planning process.

Functional Alignment. Research has shown that two-thirds of IT and HR team strategies are not aligned with the corporate or business unit strategies, and their budgets aren't aligned to support strategic initiatives. Landscape reviews comprehend functional strategies in the competitive analysis and provide a foundation for functional alignment.

Communicating the strategy. It is common for 90% or more of the workforce to be unaware of the corporate strategy, and even most senior executives lack a consistent means of articulating the strategy. Landscape reviews provide a vehicle for communicating the “why” behind the strategy and a common context for understanding customers, competitors, and markets.



Who should perform a Landscape Review?

Landscape reviews are most objective and complete when they are performed by third parties. There are several reasons for this:



Institutional bias. Organizations can develop widely held beliefs that are “truthy” but dead wrong. Groupthink can create huge blind spots. A medical device client once believed – institutionally – that they couldn’t sell their products online. They didn’t realize their competition was doing just that; no one bothered to investigate. Now ecommerce yields 25% of business unit revenue.



Bandwidth. Business Unit leads and the C suite are wired for execution. Landscape reviews require a research and analysis orientation. Shared strategy teams have the skills and mindset, but often lack the bandwidth to conduct deep dives for each business unit.



Industry insight. A consulting firm that routinely conducts research in your industry will have relevant fact bases at their fingertips and can develop a broader and deeper analysis more quickly than an in-house team.



Independent perspective. Research has shown that organizations are much more risk averse when making strategic decisions than third parties acting on their behalf, and individuals are more risk averse making decisions for themselves than for others. A consultant is more likely to recommend or reject a strategic option based on the actual risk-reward ratio, where an insider is biased towards the status quo or lower risk options. Also, a third-party who is hired to communicate their point of view won’t be gun-shy because of internal power structures and won’t hold back due to the organizational culture.

When should you conduct a Landscape Review?

Northpoint recommends that companies perform Landscape Reviews routinely:

- Companies with **annual strategy cycles** should conduct fresh landscape reviews as inputs to the strategic planning process. Each business unit should perform a top-to-bottom landscape review prior to its annual strategy update.
- Companies with **continuous strategic cycles** (in which strategies are reviewed and updated quarterly or monthly) should align their market and competitive insight processes to update landscapes in synch with the continuous cycle.
- Companies **embarking on a major strategic initiative** (e.g. new product line, new market, new channel, merger/acquisition, etc.) should perform a complete landscape review prior to the project and update the fact base quarterly.
- All companies should consider landscape reviews during **market upheavals** and after any disruptive event that negatively affects company valuation.



Northpoint has a very strong capability for primary market intelligence research that gains insights which are hard to uncover. Their Landscape Reviews provide invaluable outside-in analysis and insights that enabled our teams to activate new areas of revenue growth.

— Rick Stachel,
Director of Marketing Intelligence,
Philips Sleep & Respiratory Care

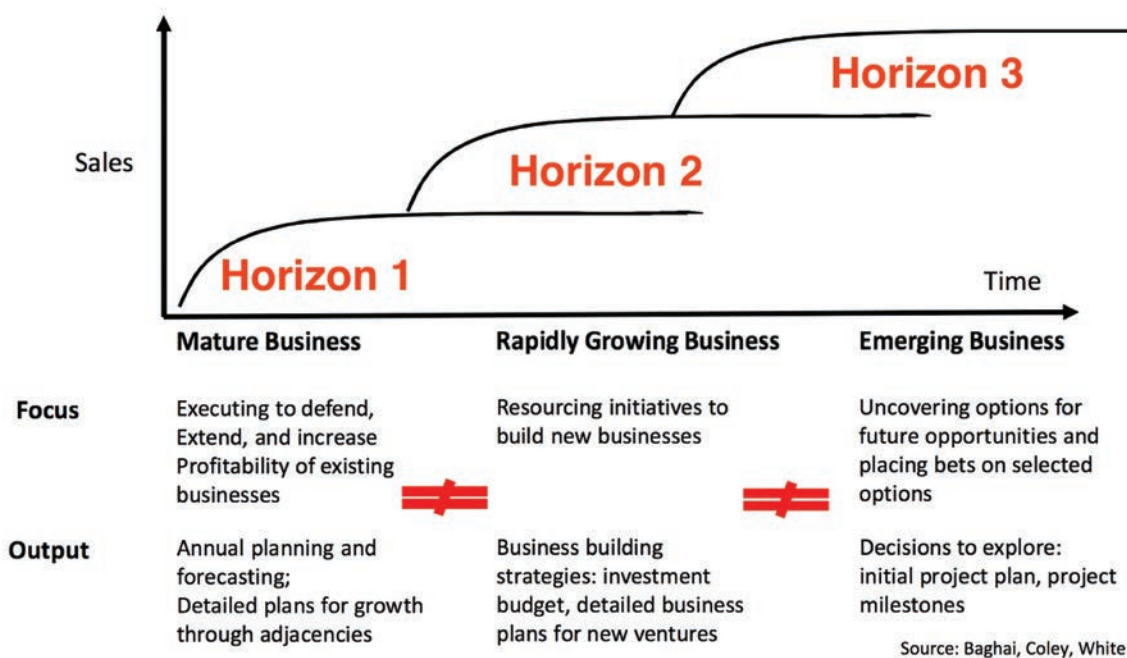


What is the planning horizon of a Landscape Review?

A **mature core business** by its very nature can only grow revenue by expanding product lines, adding channels, expanding to adjacent markets, or refining value propositions to increase awareness, consideration, and conversion for current offerings and markets. Developing a **rapidly growing business** requires fundamentally different activities: business-building strategies, planning, investment, partnerships. Entering new businesses also requires different strategic options: inorganic growth (M&A), new business models, innovation, disruption. **Emerging businesses** won't yield revenue for years, but need to be understood, monitored, and considered for the future.

It's useful to think of these three areas of business development as three distinct planning horizons:

- **Horizon 1** is the business you are in today.
- **Horizon 2** is the business you will be entering tomorrow, i.e., within the next year or two.
- **Horizon 3** is the business you could be in someday.



Companies employing the Three Horizon approach to strategic planning remain adaptable and agile – even with annual planning cycles – because they reflect periodically on near-term and long-term growth options and the evolution of their marketplace.

Landscape Reviews, when well-constructed, provide insights into each of the three horizons. About half of the landscape review activity should focus on Horizon 1, the current state mature business, and how to defend and extend the current offering, increase marketing and sales effectiveness, and increase profitability. A little less than half of the effort should focus on Horizon 2 and how to extend the core. About 5-10% of the work should explore possible futures, aligned with megatrends.

Horizon One (H1) <i>The current way of business</i>	Horizon Two (H2) <i>Exploring ways to develop and build out from the core</i>	Horizon Three (H3) <i>Exploring completely new ways of doing things</i>
<ul style="list-style-type: none"> • Annual operating plan • Specific campaigns and plans • Incremental innovation • Dominant system • Invest, Develop, Deploy • Primary leverage of existing capabilities 	<ul style="list-style-type: none"> • Business building strategies • Emerging concepts and models • Disruptive, more collaborative • New Related, Need to explore • Emerging business Desirable state • Research, demonstrate, disrupt and discover • Emerging & Extending Capabilities 	<ul style="list-style-type: none"> • Places to explore & experiment • Aspiration & Future Promise • Radical innovation • Social trending and Narratives • Game changing nature in industry • Viable options, plenty of unknowns • Envision, Explore and Embody • Exploring Radical New Capabilities
Metrics: existing, harder, Based on profitable returns	Metrics: Ring fence areas possible disruption	Metrics: more on exploring, built on advancing emerging themes

How long does a Landscape Review take?

A typical landscape review can be completed in about six weeks by a partner that has deep expertise in your industry. Annual or quarterly updates to existing landscape reviews can be completed more quickly. Clean-sheet landscape reviews can take longer, such as those for Horizon 2 projects involving market adjacency analysis – especially for multiple adjacencies. Because they require more time to develop, market adjacency analyses should be outsourced to a trusted third party, who can perform them throughout the year to provide a pipeline of qualified growth and expansion opportunities.

How can we establish our context when a third-party performs the Landscape Review?

Every business needs to establish the context for a landscape review, whether it's being performed by your internal strategy team or a consultant. The best practice for setting the context is to define a list of questions that the landscape review will answer. These Context Questions assure that the executive team gets the information they need to validate that their strategy and execution plans are aligned with the landscape.

Taking the next step

Landscape Reviews are a best practice in strategic business planning with multiple benefits. If you are not performing them systematically as a first step in your planning cycle, you should get started with a business unit that is primed for the change. Their success can serve as a lighthouse for the rest of the business. If already integrate landscape reviews into your strategy regime, consider using them as a means of engaging executive teams in the process, as a vehicle for communicating the strategy, and even expanding the practice to create a pipeline of adjacent market opportunities.

What Our Clients Are Saying

"We found the Northpoint research to be internally ready and actionable. After several years and projects, I would have to say this firm is hard to beat, especially in the area of landscape reviews."

— **Rick Stachel**, *Director of Marketing Intelligence, Philips Sleep & Respiratory Care*

"The Northpoint approach is refreshing, fast-paced, and game-changing. I have no doubt that they identified the best candidates around the globe according to our success criteria, and that the process led to the exact right decision. I give my strongest recommendation to the Northpoint team, as they can help reveal things about your business that you didn't see and they will take a personal interest in your success."

— **Rob Hussey**, *Director, Imaging Technology & Marketing, Honeywell Handheld Devices*



About Northpoint Business Advisors

Revenue Growth Experts

Since 1995, Northpoint Business Advisors has been successfully helping companies of all sizes identify new revenue sources. More than 200 companies have discovered the value of bringing in our firm to take a comprehensive look at their existing business models and strategies. And we think you should too.

We keep abreast of the latest approaches in business solutions, strategy, analysis and operations, enabling us to help you get a fresh perspective of what needs to change to optimize your business for accelerated revenue growth.

Northpoint's expertise is in varied markets including, but not limited to, medical devices, building systems, high-tech manufacturing, water and energy infrastructure, and renewable energy.

We are lean and agile, and experts at creating high-performance, on-demand teams. Once your project needs are identified, we'll deploy a team of professionals with the highest level of experience. Our company is made up of direct employees, dozens of associates, and over 50 top-level authorities in varying business fields.



High-Value Performance

Northpoint maintains close ties with thought leaders, industry analysts, technologists, researchers, regulators, and key executives at leading market firms. We ramp-up quickly and get expert answers and insights fast. Our "outside-in" perspective extends beyond our organization to assure all perspectives are vetted and sound before they reach your team.

The Northpoint Revenue Growth Commitment

You may be concerned about group think and need a fresh set of eyes to look at your project. Maybe you have a critical project but don't have enough bandwidth on your team to get started. Or maybe you're stuck on a tough problem and can't sort it out. In any case, Northpoint can help. We can be your trusted business advisor, and help you and your team achieve successful results...fast. That is the Northpoint promise.



Someone is always going to assess your strengths and vulnerabilities; it would be best if it was Northpoint and not your competition. Build your ideal **NorthpointGOLD** program today, call **833-GROWREV (833.476.9738)** or email us at **info@northpointadvisors.com**.

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