

## PUZZLE OF THE MONTH

### Influence

**A**BOUT THIRTY YEARS AGO a company launched a business to commercialize a high performance material. There was much fanfare about the launch because the material had been specified by manufacturers in a major downfield market.

The business produced the material in a large semiworks and had announced plans to construct a major plant at the same site.

Within the company, the new business was clearly the place to be. Every key professional was in the limelight and careers were being made.

Then it happened. An independent laboratory hypothesized that one of the possible degradation components of the material could be a carcinogen. The company immediately went on the offensive. In less than twelve months, with a lot of hard work, the company proved that the safety threat was mere conjecture.

There wasn't any supporting evidence to justify the independent laboratory's hypothesis. Nevertheless, downfield manufacturers decided that their risk was too great and switched to another material. The business had lost its target market because they

could not overcome an influence hurdle.

The business should have known that it might not be able to overcome the target market's external forces influence hurdle. The business could have targeted markets that didn't have this risk. The business squandered most of its resources pursuing a target market for which they had an influence disadvantage.

Over the years, the business' professional staff had been greatly reduced. Those that remained with the business found that their careers were blocked. Morale was further shattered because the company tried to sell the business but couldn't find a buyer.

Despite this history, several senior executives felt that from its inception the business had been trying to force the material into the wrong markets. They also felt that there ought to be markets in which the business could achieve market value leadership.

#### Solution: KVC's Extend® Program

Therefore, they commissioned an Extend Program to find out where the material belonged. TechnoMarket Performance (TMP), Economic Value and Market Value knowledge blocks revealed that the company had only been promoting <10% of the material's properties.

Despite the fact that their knowledge blocks proved that the senior executives were right and the business really did have much growth potential, the people who remained with the business continued to be demoralized.

The puzzle to be solved concerned how to get the business' own people to believe in themselves, trust their own knowledge blocks and move forward to achieve success.

One knowledge block was required to solve this month's puzzle. The business needed an Influence Knowledge Block that not only enabled the business to overcome the influence hurdle of markets in which the business could be a market value leader, but also enabled the business' people to become the knowledge leaders of the markets they targeted.

The people in this business were encouraged to and did become the first people in their company to switch from a manufacturing philosophy to a knowledge based philosophy. Being the first to achieve knowledge-based growth revitalized their careers as well as their business. ■

**"Market influence is often the forgotten component of business development plans."**

**I**NFLUENCE IS A MARKETING HURDLE that every player in a market value chain must overcome. Influence is like a brick wall in front of a customer that must be scaled before business can be done with that customer.

Most players ought to be able to overcome the influence hurdle sufficiently to be able to conduct business in a market value chain. However, market value leaders generally know how to gain an influence advantage over their competitors.

An influence knowledge block facilitates the creation and evaluation of marketing programs to gain influence in a market.

Influence is an important and often forgotten product development action. Influence is also important for "Branding" studies.

An influence glossary is a complete market specific dictionary of primary and secondary marketing hurdles. Most markets have forty (40) or more specific influence hurdles that are evaluated in an Influence Knowledge Block.

Experiential modeling is a scientific method that can be used with your customers as a marketing tool to help your customers use your knowledge block designs to envision their future needs.

*For an immediate analysis of a specific puzzle, email your request to [info@kestingventures.com](mailto:info@kestingventures.com). ■*



**overcome the influence hurdle**

be first to switch from a manufacturing philosophy to a knowledge based philosophy

## A Case Snippet: How to become a market's knowledge leader

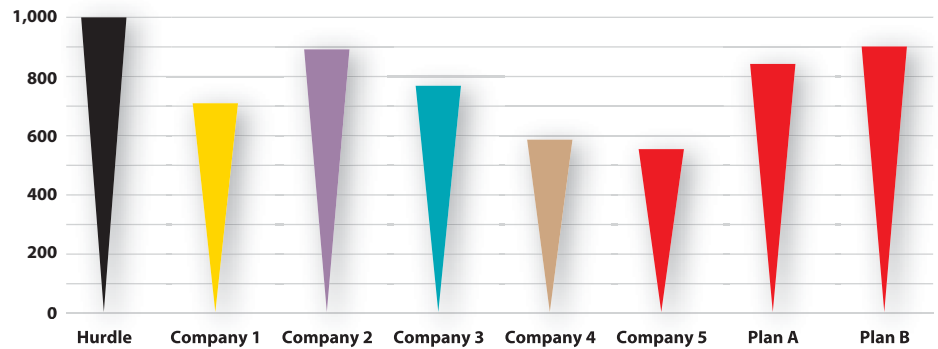
This month's case snippet concerns the same high performance materials business described in this month's puzzle.

The entire staff was demoralized because they only experienced failure. Their company's management singled out their business during quarterly intracompany progress reports as the only business that consistently didn't meet expectations.

The following table summarizes the principle influence hurdles for a target market. With the right marketing program it is highly probable that a serious player can overcome the entire influence hurdle of 1,000 points.

INFLUENCE HURDLE	HURDLE
1. PRODUCT MOTIVATION	153.6
2. SYSTEM MOTIVATION	142.9
3. COMPONENT MOTIVATION	103.6
4. EXTERNAL FORCES	82.1
5. MARKET CHANGE FORCES	103.6
6. STANDARDS & SPECIFICATIONS	89.3
7. ALLIANCES	132.1
8. MV CHAIN GOALS	192.8
<b>TOTAL</b>	<b>1,000.0</b>

## Competitive Influence



The chart above summarizes the business' competitive influence data for the target market. Company 5 is the subject of this month's case snippet. Companies 5a and 5b were their forecasts of how much influence they would have one year after launching alternate influence programs.

The business adopted their 5b plan. One year after adopting this program the business actually overcame the entire 1,000 point influence hurdle.

When the business team first saw the evaluation of their own performance (Company 5) they commented that the influence knowledge block must be wrong because they were not that good. The business team dialogued about this data for

several hours after which the evaluation was accepted.

This taught the business team that they already had some influence in the target market but they had never tried to improve it with an influence program.

The influence program that this business adopted was not costly. It featured the knowledge block designs and tools that they had developed to enable customers to envision future market needs.

Today this business' people have become the knowledge leaders within several of their strategic markets. Their people are being recognized by their own company as well as by their strategic partners. This business is again the place to be. ■

## breakthroughs in knowledge management

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Kesting Ventures Corp.  
26 Edith Ct., Wayne, NJ 07470  
Tel 973-694-0671  
Fax 973-628-8278  
www.kestingventures.com  
info@kestingventures.com



### About Kesting Ventures

Since 1984, the mission of Kesting Ventures Corp. has been to develop, improve, record and facilitate the problem-solving methodology required by R&D, marketing and commercial development specialists.

The powerful problem-solving methodology of Experiential Modeling embodied in KVC's Extend® and Start® Programs enable your organization to form specific operational plans for entire businesses, envision and then invent new products and technologies – even renew the growth of existing businesses.

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## The Changing Role of Professionals

Skills are acquired through education and training. Knowledge is the understanding of people, which is used to accomplish objectives. For many complex puzzles knowledge does not exist.

The potential for people to increase their knowledge is infinite; whereas the potential for people to increase their skills is quite limited and skills can all too soon become outdated.

Historically, skill based strategies produced GNP growth. Market value leadership is the strategy of the future and this strategy requires knowledge more than skills.

In the past, manufacturers of materials spawned new industries and these industries added to the GNP growth. In the future, market value leadership strategies will produce a very long period of GNP growth and skill based strategies will be less important.

In the past, the earnings potential of skills increased because there was a shortage of professionals. Today, the earnings potential of skills has peaked because skills are available throughout the world.

For the past decade, many companies have said that their lack of market knowledge is a weakness. In the future, the

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professional role will emphasize knowledge rather than skills. The market value potential of markets is very important knowledge.

In the past, service was treated as a cost of sales. In the future, service will only survive if it provides market value. This means that service will become a profit center.

KVC believes that the developed world is entering the knowledge age. The most valuable skill to have is the ability to create new knowledge blocks that can be used to solve complex business, technology and market puzzles.

The most important puzzle to solve by professionals who work in both manufacturing and service industries is how to achieve market value leadership in their company's strategic markets.

This month's case snippet shows that marketing influence can also help change the culture of organizations.

We invite you to visit our website, [www.kestingventures.com](http://www.kestingventures.com), where you can download more information concerning Influence and KVC's Market Value System. ■