



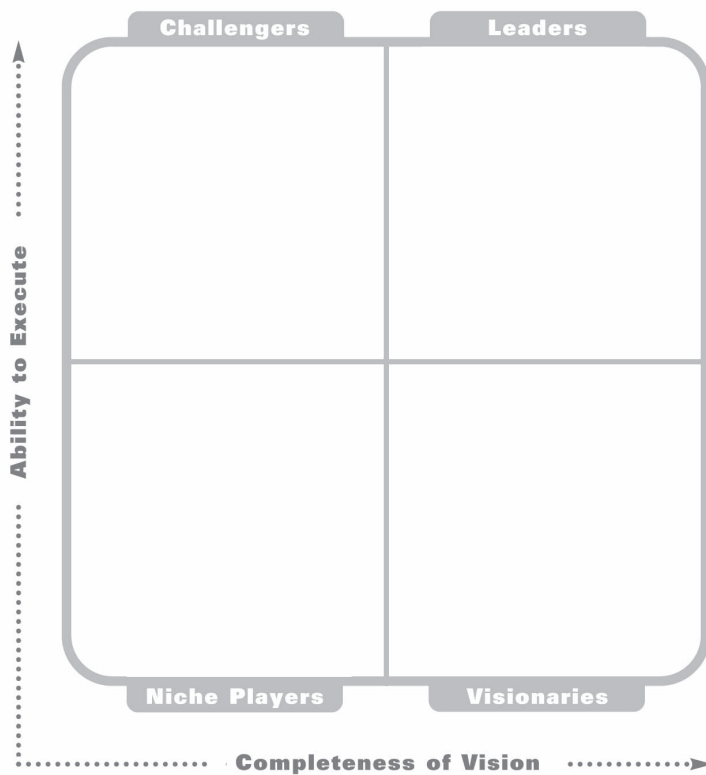
Understanding and Using Magic Quadrant-style Analysis

Quick Tips:

- Define competitive landscape
- Useful cues for positioning
- Study strengths & weakness
- Evaluate core competencies
- Understand key business drivers
- Fine-tune your product offerings

Magic Quadrants is a research method designed by Gartner, Inc., to evaluate the relative market position and growth potential of companies in specific, technology-based markets. Magic Quadrants-style analysis can be a useful tool for businesses seeking to understand the competitive landscape, where they rank in their specific market segment, and what (if any) remedial steps must be taken to achieve long-term goals and objectives.

Instead of simply showing statistics or ranking companies in lists, Magic Quadrants uses a visual display to compare the strengths, weaknesses and differences between various companies. The display ranks competing businesses into four distinct categories, based on the completeness of their business vision and ability to execute on their vision.



Gartner Magic Quadrants provide an excellent tool for studying your competitive landscape. Gartner, Inc. offers some of the most complete and detailed research statistics and data analysis available. However it is often possible to construct a useful magic quadrant-style chart using data that is available to the public at no cost. Interested? Contact StartupFactory, LLC today and schedule a QuickConsult™. We'll meet at your office and help chart your business success... It's free!

Business Categories Defined

Niche Players

Niche Players are low in both completeness of vision and ability to execute. These companies may do well in a small segment of the market but may not have the means to outperform larger competitors. They are usually focused on a narrow market segment, and are most often new businesses.

Visionaries

Visionaries have an awareness of how the market will evolve over time and can be innovative in their thinking, but may not be able to execute these visions quickly or easily. Visionaries are common in early stage markets, but visionaries in more mature markets are usually either smaller businesses trying to compete, or larger businesses lacking the agility needed to execute quickly on key initiatives.

Challengers

Challengers have the ability to execute, but may lack strong vision or desire to change. Challengers tend to be larger companies in mature markets who do not want to disrupt their current plan. They may have the ability to become leaders if their vision and desire to change increases.

Leaders

Leaders score high on both completeness of vision and the ability to execute. Market leaders tend to be large companies in mature markets, have a large customer base, and have worked to achieve high visibility in their market. Leaders can have a significant amount of influence over a particular market, and often have the ability to effect market trends.

While it may seem as though the companies in the "leaders" category are always the best bet, Gartner advises users to examine all quadrants, since businesses in every category have their own unique strengths and weaknesses that should be taken into consideration.

Magic Quadrants can be a useful instrument for companies who wish to analyze their competition. Magic Quadrants gives a synopsis of a market's top businesses, displaying their strengths and weaknesses. Competing companies can then use that information to improve their own business in areas where others are vulnerable, giving them a unique advantage in the market.

Defining Vision and Ability to Execute

■ **Ability to Execute**

Product or Service:

Goods and services offered by the company that compete in the defined market. This includes current product or service capabilities, quality, feature sets, skills, and others.

Overall Viability:

Viability includes an assessment of the overall financial health of the organization, the likelihood of the individual business to continue investing resources in product development, and the financial means to advance the portfolio of products.

Sales Execution & Pricing:

The company's capabilities in pre-sales activities and the structures that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel(s).

Market Responsiveness and Track Record:

Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors change, customer needs evolve and market & economic dynamics change.

Marketing Execution:

Often difficult to quantify, marketing execution is the clarity, quality, creativity and efficacy of programs designed to deliver the organization's message. It's the ability to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product, brand and organization in the minds of buyers, analysts, stake/shareholders and competitors. This "mind share" is driven by a combination of publicity, advertising, promotional efforts, thought leadership, word-of-mouth and sales activities.

Customer Experience:

Relationships, products and service programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs, availability of user groups, service-level agreements, and others.

Operations:

The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on a long-term basis.

■ **Completeness of Vision**

Market Understanding:

Ability of the company to understand buyers' wants and needs and to translate those into highly-desired products and services. Companies that show the highest degree of vision, listen and seek to fully understand buyers' wants and needs, and as a result, shape and add value to their products and services.

Marketing Strategy:

A clear, differentiated set of messages that are consistently communicated throughout the organization and externalized through the web site, advertising, PR, customer programs, promotional efforts and positioning statements.

Sales Strategy:

A unique strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services.

Product Strategy:

The company's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements.

Business Model:

The soundness and logic of the company's fundamental, underlying business proposition.

Questions, comments, need help constructing a magic quadrant or planning a successful branding effort? Email us at: robert@StartupFactory.biz or visit www.StartupFactory.biz ...We deliver!