Methods of Trend Analysis and Opportunity Recognition
Trend analysis

How to monitor and evaluate external developments and trends?

- Expert interviews
- Delphi Study
- Trend reports
- Scenario Planning
- Trend Workshops
- Customer Innovation Workshops
- Coolhunting
Opportunity analysis

How to identify business or technology gaps between current situation and envisioned future?

- Sales Analysis
- Technology Forecasting & Road Mapping
- Outcome-Driven Innovation
- Competitor Intelligence
- Disciplined bootlegging
- Netnography
- “Gut feeling”
Market Pull versus Technology Push

What are the underlying assumptions and the drivers of innovation?

Technology Push
- Basic Science
- Design & Engineering
- Manufacturing
- Marketing
- Sales

Market Pull
- Market Need
- Development
- Manufacturing
- Sales
Sources


• Further readings: Koen (2012); Koen & Stevens (2012); Koen et al. (2002).
Managing the Innovation Process

Trend Analysis and Opportunity Recognition
Managing the Innovation Process – The Big Picture

Source: Lercher 2016, 2017
Trend Analysis & Opportunity Recognition in The Big Picture

Source: Lercher 2016, 2017
How does a firm know that it has to start a new product development process?

Activities that Feed Strategic Planning for New Products

- Ongoing marketing planning
- Ongoing corporate planning
- Special opportunity analysis

**Opportunity**: A business or technology gap *(that a company or individual realizes)* between the current situation and an envisioned future in order to capture competitive advantage, respond to a threat, or solve a problem.
What are means to develop a firm into greenfield markets?

Find another location or venue

Leverage your firm’s strengths in a new activity

Move into a “new to you” industry

Identify a fast-growing need, and adapt your products to that need

Currently, “Business Model Innovation” or “Blue Ocean Strategy” are means to develop a firm into greenfield markets.
Opportunity Identification: Different Degrees of Change & Uncertainty

Nature of the Opportunity

- **Poor fit w/ current organization**
- **Good fit w/ current organization**

Nature of the Customer

- **Existing customers served in traditional ways**
- **New customers or existing customers served in fundamentally different ways**

(Disruptive) Process Innovation (*Poor Dogs*)

White Space (Business Model / Radical / Disruptive Innovation)

Core Business

Adjacency

Based on M.W. Johnson: Seizing the white space, 2010
Opportunity recognition and trend analysis

How does a firm know that it has to start a new product development process?

Activities that Feed Strategic Planning for New Products
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- Ongoing corporate planning
- Special opportunity analysis

Sources of Opportunities
- An external mandate
- An internal mandate
- A new resource
- An underutilized resource
- Reaction on an identified trend

Opportunity recognition
How does a firm know that it has to start a new product development process?

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Reaction on an identified trend
Opportunity recognition and trend analysis

How does a firm know that it has to start a new product development process?

- **VISION**: Desired future
- **MISSION**: a means to approach the vision
- **TRENDS**: Foreseeable developments, extrapolated from present situation; expert knowledge; broadly applicable
- **FORECASTS / PROGNOSIS**: Quantifies time and degree of use of trends
- **SCENARIOS**: Comprehensive summary of multiple trends and their mutual interaction, allows for the emergence of several possible futures