

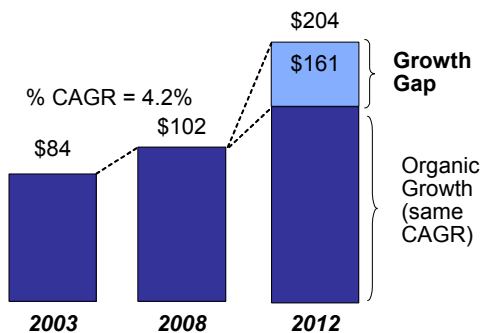


## Innovation: Using Strategic Growth Opportunity Areas to Fuel Growth

### Closing the Growth Gap through Innovation

Aggressive growth goals are common and often the gap to achieve revenue goals cannot be filled through organic growth alone. Closing this gap often requires a fresh approach to business growth while ensuring innovation focuses on strategic resource allocation decisions vs. "I have an idea." Companies typically aren't lacking for ideas; but identifying the *right ideas* and a *process for implementing them* takes more discipline.

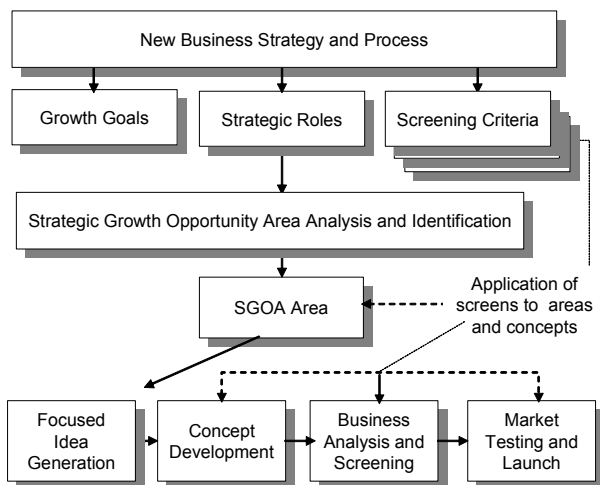
**Company Performance Gross Sales (in \$MM's)**



### A Disciplined, Systematic Approach to Innovation

EquiBrand's study of best practice innovators confirms that consistent innovation over time requires a combination of discipline and creativity. While it is important to not be overly systematized, establishing a basic approach to innovation, including innovation principles and processes, is key to delivering a strong innovation pipeline.

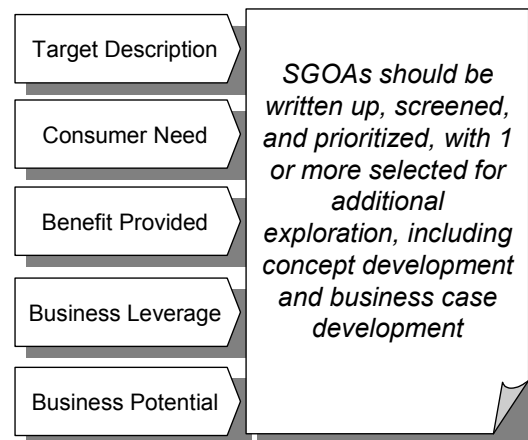
**Sample Innovation Process**



### Strategic Growth Opportunity Areas Defined

Critical inputs to the innovation process are Strategic Growth Opportunity Areas (SGOAs), which are large, strategically attractive areas to look for profitable growth. SGOAs could include new products, brand extensions, new channel initiatives, acquisitions and other initiatives.

Documenting SGOAs in a consistent manner allows them to be evaluated and prioritized for additional consideration. Here is a sample approach:



### Identifying Strategic Growth Opportunity Areas

SGOAs can come from a number of sources, including:

- ✓ Unmet customer needs or trends
- ✓ Portfolio gaps, target gaps
- ✓ Technological innovation and supplier opportunities
- ✓ Competitive opportunities
- ✓ Geographic expansion
- ✓ Equity bridges or asset leverage

### Screening SGOAs and Related Concept Areas

Once SGOAs have been initially established and documented, interim screening is performed to narrow the list. As the SGOA progresses from strategic area, to focused ideation, to specific business concepts, additional screens are used to ensure strategic, operational and customer requirements are met.

**For more information on Using Strategic Growth Opportunity Areas to Fuel Growth, please contact [Tim Koelzer](#) at EquiBrand**