

How Technetics Group France Broke Into a New Market Using ODI

Case in Brief

A leader in high performance sealings products, Technetics Group France (TGF) wanted to improve its penetration in a B2B market: pharmaceuticals manufacturing. However, efforts to sell new sealing solutions and services in that market were failing. TGF then sought assistance from Strategyn. Using Strategyn's patented methodology, Outcome-Driven Innovation (ODI), TGF and Strategyn devised a growth plan that reinforced significantly TGF's position in the market. Strategyn's jobs-oriented ODI methodology helped TGF:

Overcome a barrier to entry in a market that was new for them.

Create a plan that drastically accelerated growth and enabled TGF to attain a strong, sustainable competitive position.

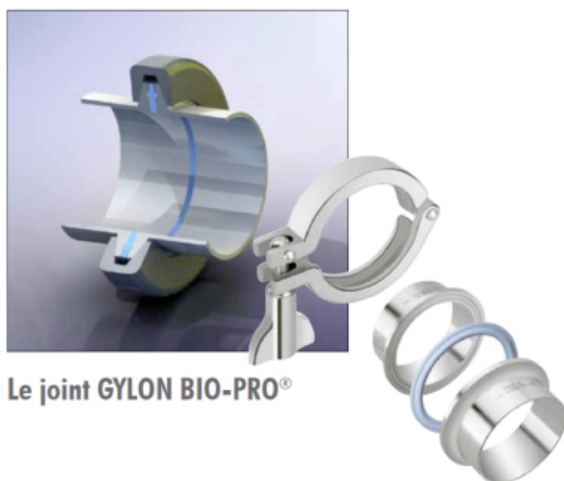
Reposition their existing offerings, which caused a dramatic change in the adoption behavior of pharmaceuticals processors.

Client Challenge

"We had an advanced product, the Gylon Bio Pro seal, that we thought would be very valuable to the pharmaceuticals industry," reports Michel Lefrançois, the director of R&D of TGF in Europe. "But when we showed the seal to maintenance managers, who are the main contacts for our sales force, they weren't very interested."

The problem is that in the pharmaceuticals industry, even a small change, such as adopting a new type of seal, requires the whole production process be reaccredited for compliance with national manufacturing standards. "The pharmaceuticals processors have to be sure the new seal won't somehow inadvertently lead to a degradation in the final quality of the drugs produced. For instance, if the new seal were brittle and pieces of it flaked off, the drugs would be contaminated," explains Laurent Guimet, a marketing and innovation engineer with TGF in Europe. This creates a barrier to entry: "Maintenance managers at pharmaceuticals processors were balking at the idea of testing TGF's new seal, knowing the expense that the test, reaccreditation, and the new seal itself would represent."

After observing its failure to sell the Gylon Bio Pro for a year, TGF had all but concluded that the seal was a failure. In fact, TGF was almost ready to withdraw from the market until they discovered Strategyn. TGF's executives were very interested with Strategyn's approach to innovation and thought that it might help them overcome the considerable barriers to entry that they faced. "Strategyn's idea that innovation consists of devising solutions that address the unmet needs of a market is fundamental to achieving breakthrough growth," says Lefrançois.



Le joint GYLON BIO-PRO®

How Strategyn Helped

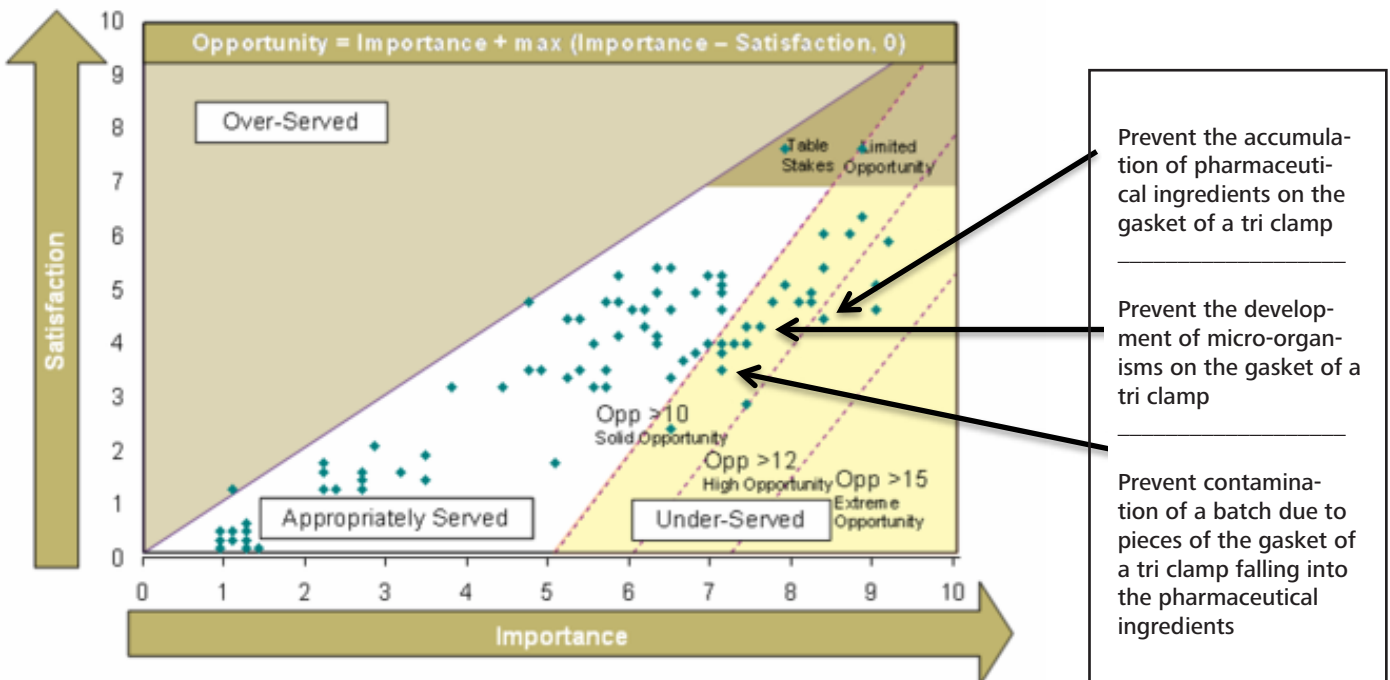
Strategyn helped TGF in two key ways. First, it helped them determine whether there was some opportunity to grow through innovation in the pharmaceuticals market. This led TGF to change their conception of who should be the target of their value creation effort. Rather than trying to devise seals that create value for maintenance managers, the on-the-floor managers whom TGF was used to selling to, the company realized it needed to focus its innovation efforts on the needs of production managers, who are much higher up in the organization.

“One seal typically costs just €2, so it may look unjustified interviewing a production manager, who manages an entire plant of 600 people, in order to get their view on a €2 component.” says Guimet. However, the decision to focus on production managers was the key to overcoming the barrier to entry that TGF was facing. Only production managers have the authority to incur the legal risk and cost of adopting new seals in a production process: win over production managers, and maintenance managers will follow. Furthermore, production managers have a big-picture view of the business. They recognize the importance of good seals in drug manufacturing.

“The decision to focus our value creation efforts on production managers was made during a meeting led by Strategyn. This meeting involved more than 25 participating stakeholders, all responsible for deciding whether or not to continue in the pharmaceuticals market. Reaching a consensus was not a small feat, and we benefitted immensely from Strategyn’s expertise in strategy and innovation,” explains Lefrançois.

Second, Strategyn helped TGF define a growth plan to seize hitherto unexploited opportunities. One aspect of this plan was the decision not to discontinue the Gylon Bio Pro. Results of a Strategyn ODI study proved that the seal was addressing several unmet needs of production managers. Lefrançois states, “It was initially very difficult for us to accept that the Gylon Bio Pro could be a success. After all, we had tried to market and sell it for almost one year with no results. For us, it was a failure without appeal. So we asked Strategyn, ‘Why do you believe this product is a market opportunity when it has failed to sell in the past? How do you explain that?’ In response, Strategyn made us realize that the Gylon Bio Pro was not selling because its marketing had been misguided.”

Broad Market Opportunity Landscape



In fact, TGF’s marketing approach had to be entirely redefined. “Our sales brochure was very technical, full of information that would only appeal to a mechanical engineer,” Guimet confesses. “After working with Strategyn, we realized we needed to capture the attention of pharmaceutical customers in a different way. We needed to communicate to them about the jobs that were important for the production managers.”

The ODI study undertaken enabled TGF to uncover opportunities to sell the Gylon Bio Pro seal on a strength that would appeal to production managers: its ability to prevent contamination. “We believed we knew the importance of preventing contamination even before implementing ODI,” Guimet remarks, “but we had focused solely on one form of contamination: cross contamination, which can occur when remnants from the production of one drug remain in the production line after you’ve moved on to producing a different drug.”

Thanks to ODI, the TGF team discovered unmet needs related to preventing two other forms of contamination during the production process. By focusing only on reducing the risk of cross contamination, TGF had been missing the bigger picture. The Gylon Bio Pro’s ability to address these other unmet needs made it a product with breakthrough potential.

This illustrates how critical it is to make marketing and innovation decisions based on well-defined unmet needs. Guimet adds, “During the qualitative interviews, one very experienced production manager mentioned a need that

“Strategyn helped us discover and formulate the strategy required to successfully penetrate the pharmaceutical production market.” -François Xavier Barbier, President, TGF

none of the other managers had mentioned. Although no one else had mentioned it, the quantitative survey revealed that this need was highly important and not well addressed by currently available solutions.” In other words, the quantitative study revealed that an issue that had seemed to be just a weak signal during the qualitative phase—because it was mentioned by only one production manager out of many—provided a major opportunity for the company’s penetration strategy.

With Strategyn’s guidance, TGF repositioned the Gylon Bio Pro as a contamination-free seal and drafted a new positioning statement for the seal based on an “elevator pitch” format. Guimet explains:

First Strategyn made us formulate a very high-level job statement drafted to attract production managers’ attention in a single sentence that summarizes well the seal’s advantage. Then, once production managers’ curiosity is piqued, TGF’s sales force can emphasize the jobs that are important to them and uniquely addressed by the Gylon Bio Pro seal.



Finally, Strategyn asked us to imagine that the production manager is interested in knowing how we support our claims: how does the Gylon Bio Pro enable us to get these jobs done? This was a very interesting step, as it required a careful collaboration between the technical team and the marketing team. Together they had to formulate the most straightforward and easy-to-understand explanation of how the technical features of the product support our claim.

“Strategyn acted as a strategic partner, leading us toward the wise growth and innovation decisions required to penetrate the pharmaceuticals market,” declares Lefrançois. At the end of this repositioning effort, a member of our technical team said, “I never thought that marketing was that important and difficult.” “It was a very positive reaction,” explains Guimet, “as it was a sign that the entire company was behind the arguments and repositioning that came out of this effort.”

Eliminate contamination risks at tri clamps

GYLON BIO-PRO®

The anti-contamination gasket, specially designed to:

- Prevent the growth of micro-organisms at tri-clamps
- Avoid the accumulation of ingredients at tri-clamps
- Prevent the leakage of ingredients at tri-clamps
- Eliminate the costly consequences of gasket fragments falling into the production process

Technetics
GROUP

EnPro Industries companies

The Results

TGF rapidly realized that it had in hand a very successful growth plan.

The company designed a new marketing brochure for the Gylon Bio Pro seal based on its new positioning. Efforts to raise the profile of the seal were quickly realized: a small exhibition the company held in France generated 10 new contacts for TGF in just one day. “The people who came by our booth were interested in our message,” Guimet reports. “They wanted to place orders right away.” Furthermore, even though TGF had targeted production managers, it was maintenance managers who were stopping by—the very people who had failed to show interest before the seal was repositioned. By addressing the needs of production managers—the “bosses”—TGF had removed obstacles for the maintenance managers.

In fact, the Gylon Bio Pro’s new positioning has caused a dramatic change in the adoption behavior of pharmaceutical processors. Before, nobody was testing the seal, even when it was made available for free. Now, pharmaceutical processors are paying to test it in trials that can run from six months to a year. Initially TGF was going to withdraw the Gylon Bio Pro; now, international players are adopting the seal for their operations worldwide. “Our new positioning raised the confidence of pharmaceutical customers that we truly understand their problem. This, in turn, has helped TGF’s sales team to raise the willingness of our customers to adopt our seals,” says François-Xavier Barbier the President of TGF France.

This pattern of rapid adoption and growth is also occurring with a second type of seal that TGF developed and positioned using ODI. A mere six months after the second seal’s launch in one country, 30 additional companies are testing it. Furthermore, TGF has also used Strategyn’s techniques to outline and explore opportunities for a completely new line of business in a new market. TGF’s horizons are widening, and its opportunities are multiplying.

“Two years after working with Strategyn, our market position has evolved radically from a marginal player to a recognized producer.”

- François Xavier Barbier, President, TGF

Learn More

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Publications that explain the details behind Strategyn’s methodology include:

- Anthony Ulwick, *What is Outcome-Driven Innovation?*, (White paper, March 2009).
- Anthony W. Ulwick, *Turn Customer Input into Innovation*, *Harvard Business Review* 80, No. 1 (January 2002).
- Anthony W. Ulwick, *What Customers Want*, (New York: McGraw-Hill, 2005).
- Anthony W. Ulwick and Lance Bettencourt, *Giving Customers a Fair Hearing*, *MIT Sloan Management Review* 49, No. 3 (Spring 2008).
- Lance Bettencourt and Anthony W. Ulwick, *The Customer-Centered Innovation Map*, *Harvard Business Review* 86, No. 5 (May 2008).
- Lance Bettencourt, PhD, *Service Innovation: How to Go From Customer Needs to Breakthrough Services*, (New York: McGraw-Hill, 2010).

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