

# Ex- Based

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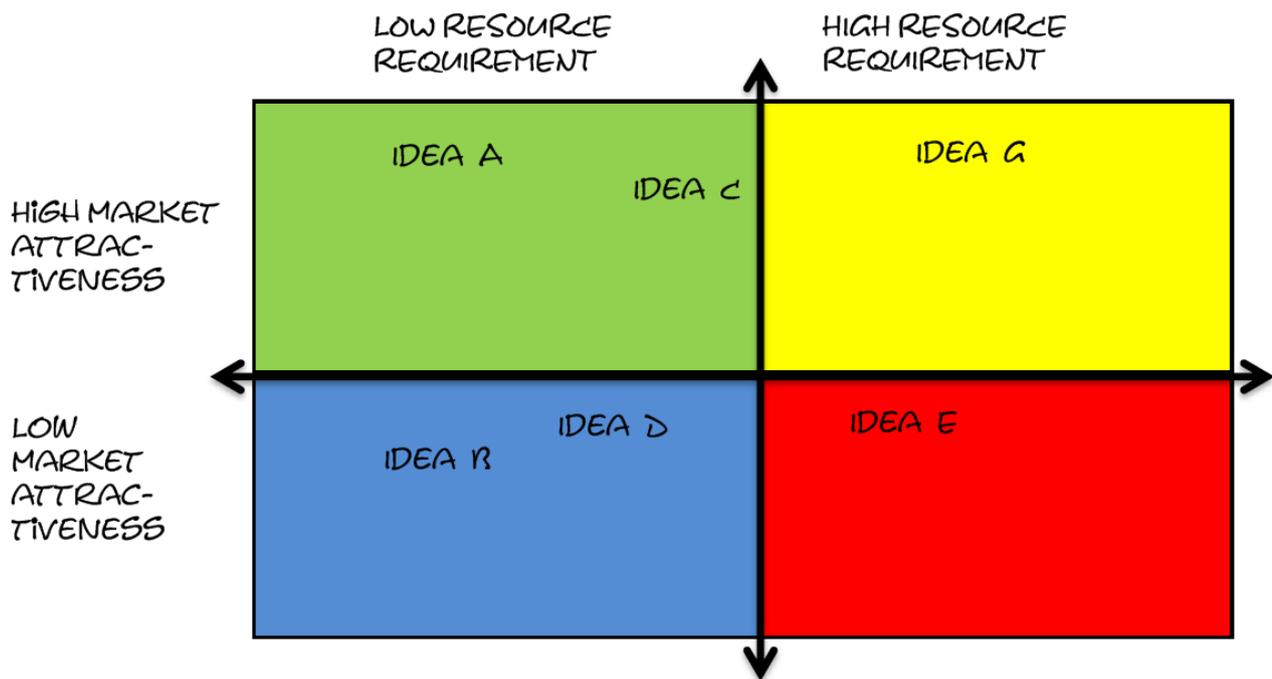
experience-based economy

## Prioritizing Tool

The prioritizing tool should be used after the customer experience and/or the five senses tools as these tools are designed to generate a pool of ideas which will then need to be prioritized.

**Goal:** Find the best ideas to implement from the pool that you have identified.

1. Give each idea a name and place them on stickers
2. Draw the matrix (below) on an A3 or A2 paper
3. Place the ideas in the matrix. Discussion is allowed 😊
4. Choose the best idea(s) on the basis of the discussion



### Guide to the matrix:

#### High market attractiveness

- Does your idea have mass appeal? Can it be scaled internationally?
- Is the business idea in a growth market? If yes, do you think it is possible to get a reasonable market share within this growing market?
- Do you have a business idea which has little or no competition, because the idea is unique within the marketplace?
- Is it a profitable market with high prices and low competition?
- Will the competitors react aggressively when you enter the market?
- What are their strengths and weaknesses compared to your setup?

#### Low market attractiveness

- Does the product/service appeal to a limited market?
- Is the business idea targeting a declining market?
- Is there a risk of high competition?
- Can it easily be copied by a competitor?

#### High resource requirement

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Some ideas are surprisingly expensive to implement. You need to ask questions like:

- What would need to be changed in the organization to make this new concept/idea work and what would be the costs?
- Will there be any product development and what will be the costs?
- Will the idea require heavy marketing and sales expenses to succeed?
- Do you have the necessary human resources to deliver?
- Do you need new buildings, facilities, decorations etc?

## Low Resource requirement

Some ideas require little resource to start up. In fact many successful computer ventures started in a garage or in student accommodation such as Apple, Microsoft, Facebook etc. You might ask the following questions:

- Can this idea be done step by step?
- Can we make some of the things ourselves to avoid outsourcing costs?
- Can the company cost structure be amended quickly and easily if profits are lower than expected?

## Colors:

**Green:** Indicates an ideal place for small businesses to launch new ideas. The market is highly attractive and few resources are required to implement the idea.

**Yellow:** The market is ideal, but the idea is resource intensive to implement. The yellow box is better suited to companies that can access the necessary resources to implement the idea. Whilst the idea may be strong the risk is higher because of the large investment that is needed to develop and launch the idea. Investigate pro and cons before deciding to go further with the idea.

**Blue:** The market is not ideal but the resources that are needed to implement the idea are low. Example: If you introduce products for smokers you would be introducing it in a shrinking market. Consider whether the low cost makes it worth pursuing in a limited marketplace.

**Red:** Low market attractiveness and high resource requirement – this is not an attractive proposition and in most cases these ideas should be dismissed.

## Next Step: Create a business plan

If your company has a business plan you could add the ideas into your goals. Alternatively, if you do not already have a business plan you could create one using these ideas to formulate your company strategy with short term, medium term and long term goals.

Your business plan will also assist your company in securing funding from investors, such as banks.

A Danish government funded organisation has made a free guide to start business planning (in English also)

[www.100svar.dk](http://www.100svar.dk)