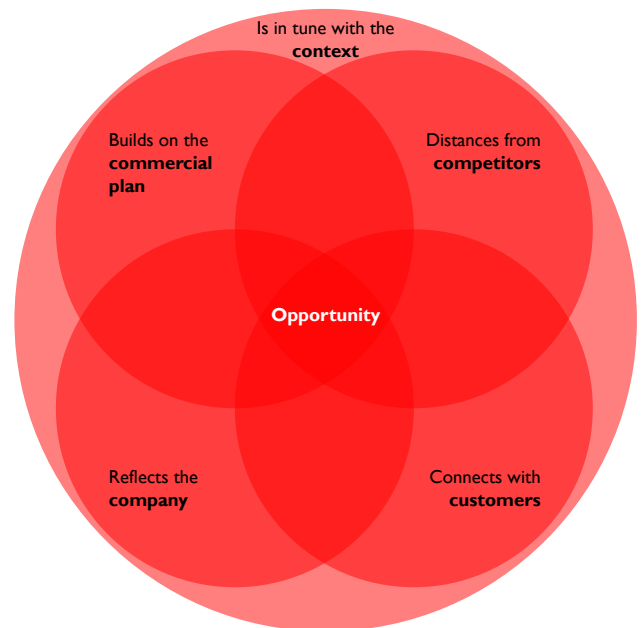


The Opportunity Model



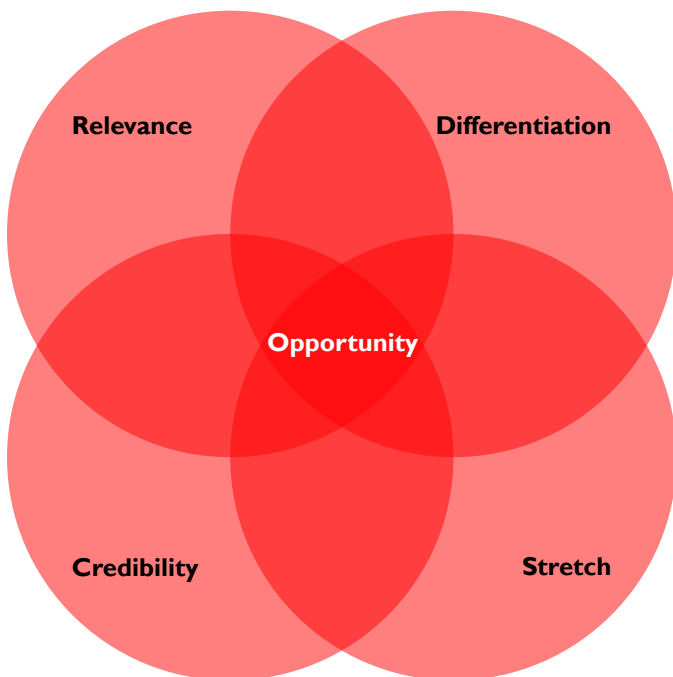
"The reason most people do not recognize an opportunity when they meet it is because it usually goes around wearing overalls and looking like Hard Work."

Somebody clever said this over a century ago. Its longevity suggests it contains at least a shred of truth: for many of us, opportunities can be hard to spot and even harder to do something about.

So how do you spot an opportunity?

When I worked at Interbrand in the late 1990s and early 2000s, the strategy team employed an 'Opportunity Model' to help clients identify fertile spaces in which to position their brands. The model would break the thorny question of how to find an opportunity into four parts:

1. **Relevance:** what are the unmet or undermet customer needs your brand could address?
2. **Differentiation:** what are the qualities that make your brand unique from the competition?
3. **Credibility:** what organisational strengths can your brand build upon?
4. **Stretch:** what areas could your brand extend to in future?

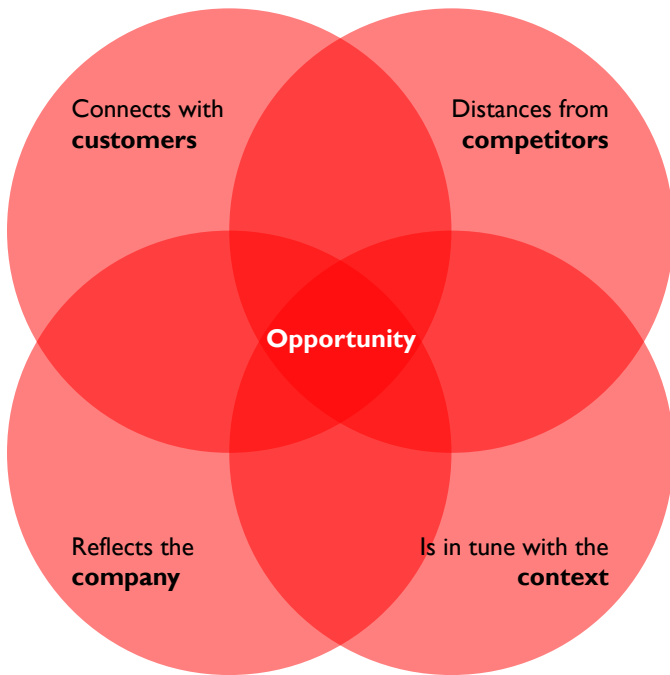


I never particularly warmed to the model in this incarnation. While it's perfectly sensible to strive for relevance and differentiation, the requirement of credibility seemed to miss an important point about brand positioning: it is an expression of ambition about the future, not a statement of fact about the present. Google's mission is to organise the world's information and make it universally accessible and useful. Facebook's ambition is to bring the world closer together. Neither statement is credible in the sense that it can actually be achieved. But that doesn't matter as long as the statements function as a motivating ideal. Google's mission statement helped the business see a future beyond web search and to expand into video, maps, images, translation, cloud services, smartphones, smart home devices and operating systems. Facebook's mission statement has encouraged an equivalent level of ambition and growth.

In practice, 'credibility' is often used as an excuse for being boring: "we're not credible in x today, so let's not try to claim we could ever credibly go there." In 1974, BMW wasn't a credible rival to Mercedes-Benz. In 1980, Apple wasn't a credible rival to IBM. Great brands aim for the incredible, not the credible.

The 'stretch' aspect of the model also seemed weirdly unhelpful. Brands have an almost limitless potential to cross categories. Before Nokia moved into telephony, it was a pulp mill, then an energy company, then a rubber works. Nintendo started out selling playing cards. Lloyd's of London was originally a coffee shop. There's nothing wrong with the idea that brand positioning should allow an organisation to stretch into new areas. But the Opportunity Model would be far more useful if it required us to judge which areas a brand should stretch into (and which areas should be avoided).

Possibly as a result of these shortcomings, the Opportunity Model has evolved over the years. Interbrand (and some of the consultancies created by ex-Interbrand strategists) now use a refined model like the one overleaf:

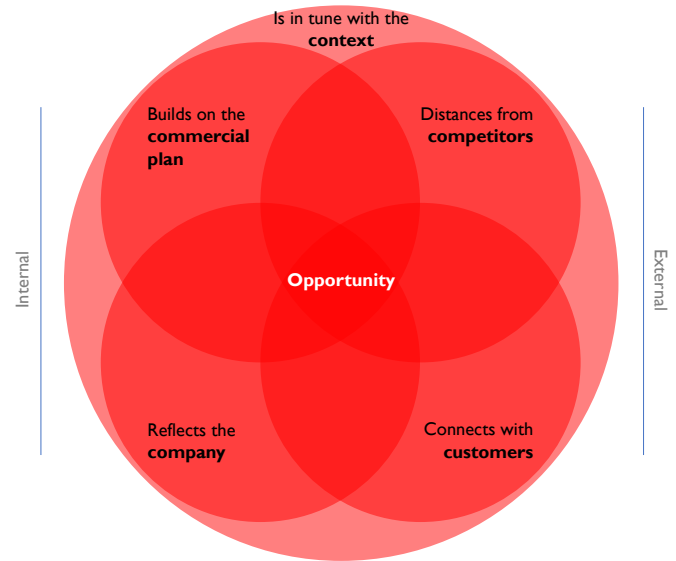


There's a lot to like. The evolved version retains what worked in the original model and fixes most of its shortcomings. 'Relevance' and 'Differentiation' have morphed into 'connects with customers' and 'distances from competitors', while 'credibility' has evolved into the far more helpful requirement that a positioning idea should reflect the company it relates to. This allows a strategist to consider not just what the organisation is already good at, but also where it could improve. And it invites the strategist to contemplate the organisation's culture as well as its competencies. So much more helpful.

The 'Stretch' criterion has also evolved in a more helpful direction: brand positioning should be in tune with the context in which an organisation operates. This raises all sorts of important questions about the social, technological, environmental, economic, legal and political forces shaping the future. The resulting Opportunity Model is much more useful as a way of organising all of the various inputs that a strategist should be considering when developing brand positioning. It's a helpful framework for organising thought and presenting insight.

There is one area I would add: the commercial ambition of the organisation. I believe it's worth including as an explicit aspect of the model. Positioning an organisation to grow incrementally is a very different matter from positioning a company

that wants to double in size every year. The former suggests stability and reliability, while the latter is more likely to be dynamic and disruptive. Positioning a brand without a sound understanding of an organisation's commercial plan is a little like betting money on a racehorse simply because you like its name: plenty of people do it, but it rarely works out well.



The resulting Opportunity Model balances internal and external factors. I don't use it all the time, but when I do use it, I find it helpful to build a positioning rationale that balances the internal considerations to the left of the model with the external factors to the right:

- **Beginning with the commercial plan:**
 - How ambitious is the growth projection?
 - Does it suggest an evolutionary or a revolutionary brand positioning?
 - What commercial constraints exist that will affect the positioning and how it is delivered?
- **Then considering the company itself:**
 - What are the factors that drive internal pride?
 - How does this differ between the top and the bottom rungs of the organisation?
 - What are the organisation's strengths: in terms of culture as well as competency?
 - What are the most pressing areas for improvement that the positioning should address?

- **Then considering ‘customers’ in the broadest sense of the term:**
 - Who are the external audiences who the brand needs to influence? (these could include suppliers, partners, distributors, investors and influencers)
 - What is the relative importance of each audience to the organisation’s ability to achieve its commercial ambition?
 - What matters most to the priority audiences? (this could encompass rational and emotional needs, as well as sensory and social factors)
 - Which of these needs are unmet or undermet?
 - And which of these unmet or undermet needs could the organisation profitably meet given the constraints set out in the commercial plan?

- **Then addressing the competition:**
 - How do we differentiate the brand based on how its competitors are positioned?
 - What category rules exist and which are we prepared to break?
 - Which brands would we ideally consider as peers?
 - What can we learn from these peers?

- **And finally considering the broader context:**
 - What are the social, technological, environmental, economic, legal and political forces shaping the future of the organisation and its customers?
 - Which of these should the brand positioning most urgently respond to?

This is the real strength of the model: it forces its user to combine insights that wouldn’t usually be considered together. How can a source of internal pride be used to create a benefit to the customer? How can a gap in competitors’ offers be exploited to help the business achieve a commercial goal? How can the demand for greater sustainability be used as a way to drive greater efficiency through the organization? Hidden opportunities are revealed by connecting these dots in novel ways. And the usefulness of the model increases exponentially with the imagination of its user.

The Opportunity Model is a neat way to structure thinking and ensure a broad evidence base is used to build brand positioning. The opportunities you identify using the model are likely to be commercially solid, culturally sensitive, relevant, different and future-fit. But the model still requires hard work on the part of its user. More often than not, this involves an imaginative connecting of the dots: looking for opportunities within each of the bubbles and then finding interesting ways to draw these together under a single idea.