Roadmap to the Future – a Tool for SMEs’ Business Success

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METNET Workshop, 13th March 2013, Vilnius, Lithuania
Definitions

**Futures Research:** multidisciplinary approach using objective and intuitive information when forming alternative futures paths and focusing on critical issues concerning possible or probable future conditions.

**Scenario Approach:** systematic and practical way to bring futures research into the strategic planning and the company’s tool box more broadly, too

**Roadmap:** a structure for presenting a route to the future by using the map metaphor; consists of drivers, needs, enablers and solutions in the course of time

**Navigation Mark:** an indicator showing the real development path compared to the expected in the specific scenario and time frame.
Network-based Model – a Framework for SMEs’ Business Success

Recommendations for companies:
- exploring customer needs
- creating competitive edge
- exploring new markets
- exploiting innovation opportunities

© CoFi/Laurea 2012 (Rocket model)

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Critical Questions for the Future are e.g.

1. What are the general drivers for business success and growth?
2. What are the future needs of the customers and where are the markets?
3. How can we get there (enablers)?
4. What are the alternative solutions and concepts for those specific purposes?

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Roadmap as a structural framework for SMEs’ internationalisation process

- **General Drivers**: D1, D2, D3, D4
- **Market Needs**: M1, M2, M3, M4
- **Enablers**: E1, E2, E3, E4, E5
- **Solutions**: S1, S2, S3, S4, S5, S6

*Example:* Driver (D1) can be “limited home market”, then looking for growth from a new market and its segments (M2). After that, a firm has to find e.g. local partners and new standards (enablers E2, E3) and finally, to develop suitable solutions to that specific goal e.g. joint venture (S5)
As an example, an SME’s roadmap from Western Uusimaa, Finland

1st step Vision & goals “Why to international market?”
- what?
- where?
- why?
- future prospectives?
- vision

2nd step Opportunity analysis in international market
- general PESTE analysis
- market analysis
- competition analysis
- corporate analysis

3rd step Strategic plans for the internationalization
- international operation forms
- enablers
- barriers
- core competences

4th step Action plan for the internationalization
- country
- segments
- market channels
- marketing & communication

5th step Practical operations
- price policy
- production
- recruiting

6th step Follow-up
- goal measurement
- assumption follow-up
- future plans

Adapted from Kaukojärvi & Palenius (2012)
More detailed roadmap, an example of the 1st step: Vision and goals

- **What?**
  - product group selection
  - specific product _______
  - other product? _______

- **Why?**
  - growth from new market
  - new sectors in domestic markets
  - new market in foreign countries
  - Nordic countries
  - Russia
  - Rest of Europe
  - Other parts of the World? _____

- **Where?**
  - focus market/country
  - < 5 years
  - > 10 years
  - 5-10 years
  - other? __________

- **Future perspectives**
  - time frame
  - GNP growth
  - segment growth
  - other? __________
  - trade growth
  - competitor behaviour

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More detailed roadmap, an example of the 2\textsuperscript{nd} step: Opportunity analysis 1

- **general PESTE analysis**
  - **political**
    - legislation
    - taxation
    - other _________
  - **economic**
    - economic trends
    - potential financial crises
    - restrictions, subsidies
    - economic indicators
      - unemployment
      - inflation
      - other
  - **social**
    - values
    - consumer behaviour
    - demographics
    - education level and
    - social structure
    - other__________
  - **technological**
    - level of information
    - technology and
    - communication tools
    - other _________
    - level of technological
      - development
  - **ecological**
    - general climate issues
    - pollution
    - level of infrastructure
    - green values
More detailed roadmap, an example of the 2\textsuperscript{nd} step: Opportunity analysis 2

- **Market analysis**
  - Target market compared to current market:
    - Smaller
    - The same as the current
    - 2 x current market
  - Structure of the target market:
    - Monopoly
    - Duopoly
  - Future trends:
    - Stable
    - Varying
    - Outcome
    - Easiness
    - Other
  - Wishes and expectations:
    - B-to-P
    - B-to-B
  - Distribution channels:
    - Ahead of the competition
    - Even
  - Position in the target market:
    - There is no competition in the target market
    - Behind competitors
    - Even
    - B-to-C
    - Other
  - Supply:
    - Stable
    - Varying
    - Image
    - Contacts
    - Other
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Roadmap in use: benefits for a company

- systematic, simple way to check all critical factors on the road towards the future
- combines general development, market and customer perspectives, technology and competitive environment to an understandable holistic picture
- helps in timing, “what if” questioning, and in flexibility estimating
- can be applied for different purposes: e.g. internationalisation, research & development, human resource management, building networks
- helps in the follow-up process
Further development perspectives

- time frame divided in different periods (short, medium, long term) and opportunities for radical innovations on the road towards internationalization
- supporting business intelligence programs and data in open network important. SMEs not necessarily having information services of their own
- continuous process rather than a project – attitude open minded!
- could be a simulating game to learn more this culture and broaden the view of the customer, too
Literature


Thank you!

About FuturesLab CoFi Laurea

• a research group with focus on futures research, foresight and scenario approach
• founded in 1999
• The main research areas are
  – Citizens’ wellbeing
  – Living in a sustainable community
  – Metal and machine industry in global competition
  – Sustainable business practices & business models
  – Future skills and competences

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