

# ARE YOUR OFFERINGS READY TO ROLL?

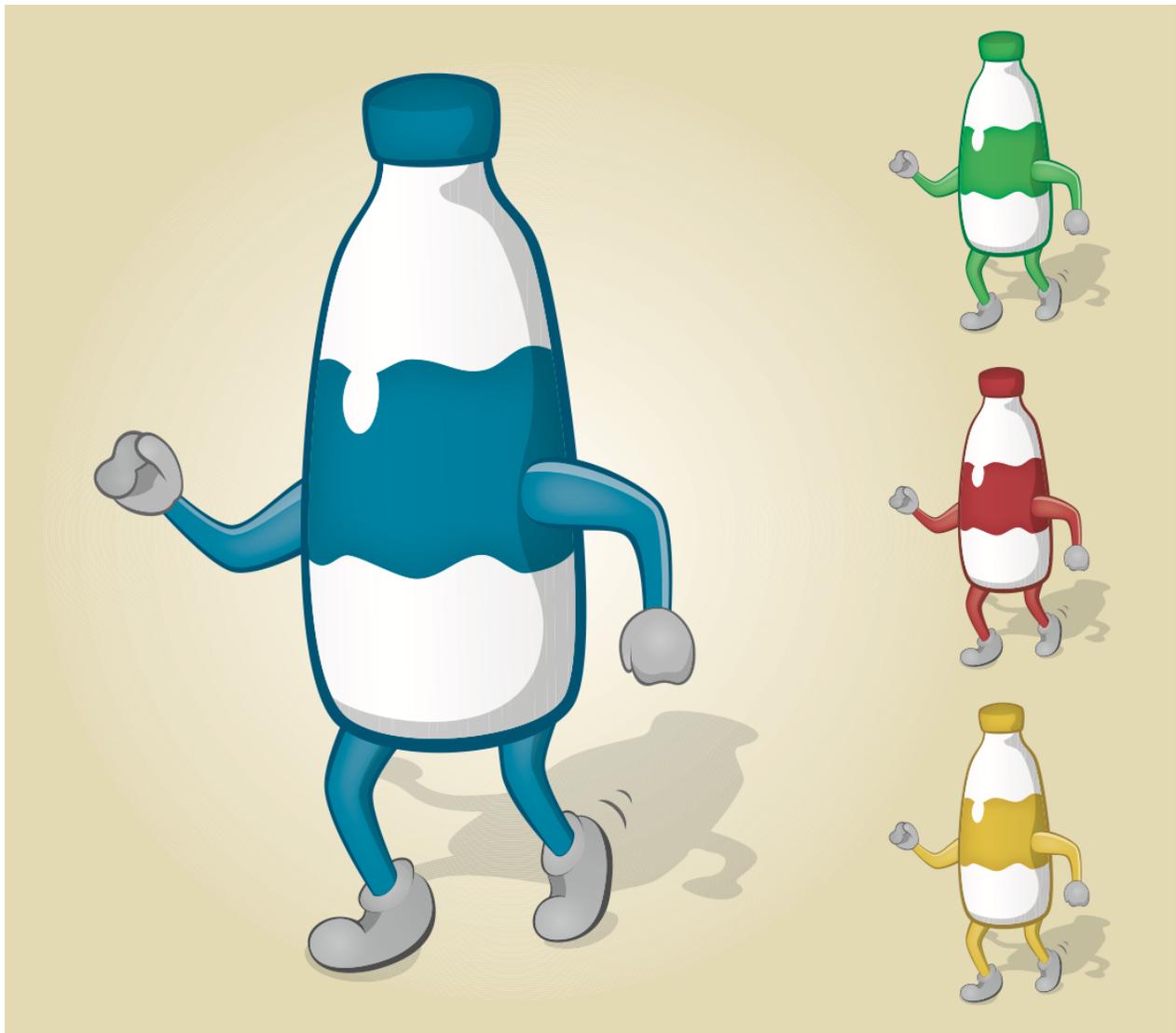


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**Key Point:** Retailers know the powerful draw of a well-presented product portfolio. So should B2B companies. Stage offerings to make them easier to understand and more enticing to buy.

How well you structure and present your product portfolio can make a difference in how well you sell your products, services or solutions. Organize offerings in a logical way that tells a clear story and you make it easy for customers to do business with you.

Just as consumer retailers think about staging their products, do the same with your yours. To start, figure out your organizing principle. Here are five commonly used portfolio models to get you started:

**Use these five sample portfolio models to help you decide how best to present your offerings.**

### **Market/Functions Model**

Organizes the portfolio around ... wait for it! ... specific functions or markets.

Often used by companies with many distinct markets and with products that are highly customized according to market segment. This includes marketers of intangibles such as insurance; consulting and financial services firms; and consumer and industrial product manufacturers in apparel and machine tools, for example. The organizing principle is especially useful to signal expertise in, or knowledge of, the large number of served markets to which the firm targets its portfolio.

### **Methodology Model**

Structures the portfolio by linking offerings to a process.

The idea here is to link the unfamiliar (your products or services) to familiar, easily recognized processes for doing things. That makes it easy for customers to understand how your offerings fit to their needs. This model is especially useful if firms have offerings for each phase of the process. If you don't, find a way to define your methodology in terms of a start and end-point that: 1) fits to your portfolio (no gaps); and 2) enables the customer to see you have the offering(s) that will help them get done what they want done.

### **Chronological Model**

Relates the products in the portfolio to the development of customer needs over time.

This model is especially useful if your firm offers a diverse set of offerings that target customers may need at certain times. Start by defining the time frame that fits to both your offerings and the needs of your customers. It could be: The life stage of an investor; a night's worth of entertainment; the care and cure of a patient, etc. To do this well, it helps to have a deep understanding of purchasing and use patterns. Buried in that data, you may well find an insightful and intuitive way to present your offerings linked to customer life stages.

### **Anatomical Model**

Maps the portfolio to pieces of a particular whole (e.g., to parts of the body).

For portfolios of products with physical applications, this is often the simplest and clearest way to put offerings in a meaningful context. If your products target one part of the body, then the organizing principle is simple: Focus on that part and further segment offerings if needed. The usage may be internal (as in the case of various drugs and pharmaceuticals say) or external (such as to build a 747 or a sports arena). It may involve all or part of the body. And as we are talking B2B, anatomical should be considered as physical pieces of any sort.

### **Hierarchical Model**

Ranks products and services according to the customers' hierarchy of needs.

This model stages offerings, presenting a clear path from a basic set of services at a lower price point, say, to a premium set priced to match. It offers a strong basis from which to structure a firm's service strategy or pricing strategy, or both. The question to ask here is: What is the relevant hierarchy of needs? Is it based on speed? value? something else? Some needs must be filled more urgently (or some products valued more highly by customers) than others. If you cannot make this case for your set of offerings, you are probably dealing with a Market/Functions Model.

**Which of these models best fits to your portfolio? Your base of customers? The advantage you want to exploit in your markets?**

### **Which Model is Best for You?**

List your offerings and ask yourself the following:

1. What organizing principle are we currently using (if any)?

Many firms find they are using a combination of models. This is not necessarily a bad thing unless it adds complexity. If you are using a hybrid approach, be sure to define the different layers of the portfolio (e.g., master brand, sub-brand, model #) and the model applied to each. There are often ways to simplify it.

2. From the customer's perspective, what story is the portfolio telling? Try to look at your portfolio as your customers might. Forget about what you want them to think. Consider the message the portfolio sends as you look at both the organizing principle and its execution. Sometimes the message will be very clear, but just not in alignment with the overall brand strategy of the firm (see question 5 below). This is where confusion often begins.

3. Are there gaps in the portfolio? (if so, where?) To answer this, you will need to know how your customers come into contact with, purchase and use your products and services. As you think about their needs, assess how well your portfolio measures up in terms of its completeness. If you're focused in certain benefit areas, this may be an opportunity to bring clarity to your portfolio.

4. What are the strengths and weaknesses of the portfolio? To help you rethink the structure of your portfolio, you must know the strengths and weaknesses of its component parts. Along with the differentiating

benefit of your firm as developed in your brand positioning, this understanding will help you select the model that best shows the unique strengths of your firm.

5. What is the overall brand positioning for the firm (or product line)? Your brand positioning is the strategy you devise to express the unique benefits your firm provides. It is the start of the logical “argument” you use to convince prospects that your offerings best meet their needs. Part of this argument is the structure of your portfolio. The portfolio must support the positioning so that the overall story is both consistent and powerful.

You now have a good context in which to judge which model best fits your offerings. You may find you have to come up with your own. If so, try to express the organizing principle clearly so both you and your customers can make sense of what you have on offer.

**Always ask: What is our portfolio’s organizing principle? Does it help us present our products and services in the best way possible?**

For more information:

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