

Market Assessment Overview

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Market Assessments - What it is, how it is done and what are the benefits

A market assessment is a type of market research that is done before investing a great amount of time and money into a business. It is also a way to determine a clear understanding of the market environment in which a company hopes to operate.

An assessment will cover a scan of the competitive landscape, the value chain and structure of the industry, the trends of a particular sector or subsector, the size of the addressable market and the underlying behaviours and needs of potential or existing customers.

There are many uses for a market assessment; however, in many cases the primary reasons for undertaking such research are:

- To determine if a market and/or product is worth the time and effort to pursue. The assessment can provide insights that may change an entrepreneur's business direction and product plans perhaps abandoning either all together.
- To help in collecting information that will be used for business planning and in the preparation of materials for presentation to potential investors;
- To support management's decision-making as to whether to invest money for market expansion or additional product development.

A market assessment is multi-faceted and involves a comprehensive view of a company's technology within a designated market environment. It may mean that management has already selected an industry sector or industry to which they think their products would best be received and want this to be confirmed. Or it may mean that a new product idea needs to be fleshed out further by scoping in greater detail its market potential and associated competitive dynamics.

Fundamentally, an assessment seeks to answer the following major research question and sub-questions through a combination of secondary and primary research.

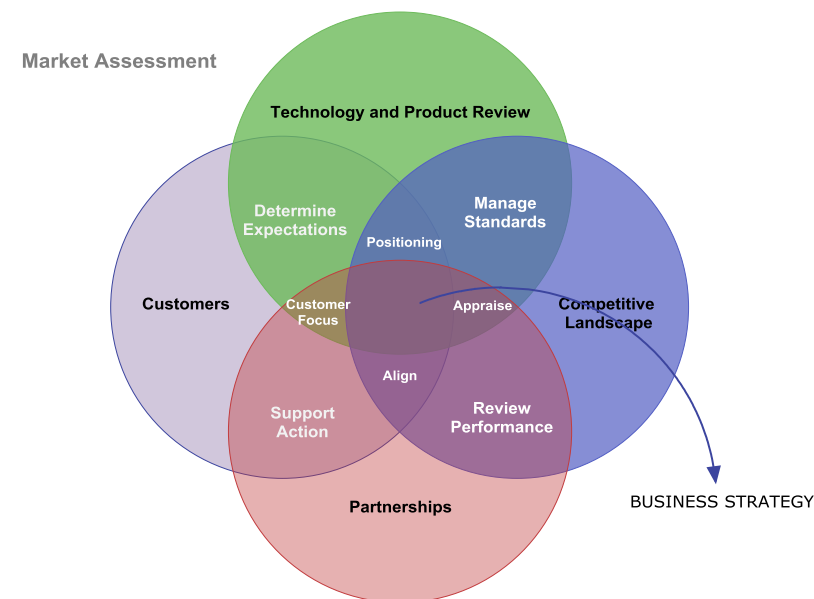
What is the market need for our product and how should it be positioned in the marketplace?

1. What indications are emerging about the market sector for our product?
2. What are the market segments we should go after and why? (Targets, measurement/applications, size, etc.)
3. What is the competitive landscape? (Who are our competitors [current and future], advantages/disadvantages, positioning, differentiation, threats etc.)
4. What needs to be accomplished to move the product from where it is today?
5. What is the business model and market forecast? (projected sales, peak sales, competitive entry, etc.)
6. What partners can we align with and why?
7. How much capital will be needed?
8. What is the size of the addressable market and how fast is it growing?

Market Assessments - What it is, how it is done and what are its benefits

Figure 1 provides a high level model of the research dimensions that make up a market assessment project.

Figure 1 – Market Assessment Overview



Benefits

- Business Planning
- Alliance Creation
- Business Development
- Market Planning
- Raising Capital

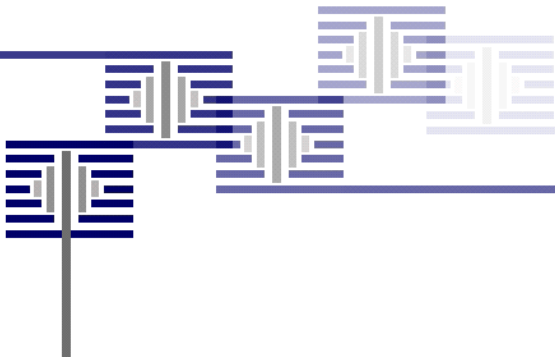
Sample Market Assessment Conducted by Creekstone Consulting Inc.

Company: Solar Silicon Producer

Reason for a Market Assessment: The client was a manufacturer of a unique solar silicon production process. The investors of the company, as well as the management team, needed to gain a better understanding of how acceptable the production supply would be with downstream silicon customers and what was the nature of the value chain within the sector. Insights had to be gathered from customers with regard to their expectations relating to particular silicon qualities and the timing of raw material supply to meet their demand.

How it was conducted: An extensive secondary research was conducted on the trends in the supply of solar silicon, a competitor analysis was prepared listing supplier profiles (ownership, market size, alliances, downstream customers, pricing, product quality, etc.) as well as the value chain makeup of the industry for solar silicon. In addition, in-depth personal interviews were conducted with key industry pundits, current silicon retail product manufacturers and likely distribution alliances for the client’s silicon.

Outcomes and benefits: After three months, the client received an extensive report outlining the areas of opportunity to market the product, lead customer contact names in organizations expressing interest in the client’s silicon supply and highlighted areas of key growth drivers in the industry. The company was able to act on this information with razor sharp execution and the information was also used to support additional financing rounds.



About Creekstone Consulting Inc.

Creekstone is a management consulting company Creekstone Consulting Inc. (Creekstone) was established in 2000 on the principle that delivering results – not just reports or PowerPoint slide stacks - to our technology clients separates us from other consulting companies. Our business is to support companies and organizations to achieve their goals of value creation. We work best with clients who want fresh ideas and innovative ways of evolving problem solving and strategy.

These clients are willing to step out of the status quo and affect positive and sustainable change. Whether an organization is a start up or an emerging company, we use the best analytical tools and processes available to focus on cutting edge results while customizing these elements to suit the challenges and opportunities facing our clients.

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