

Sizing Markets - Simply

The MOST IMPORTANT and FIRST thing to do.



Agenda



- **Forecasting Falacies**

- Including a warning and clarity of purpose.

- **A Four Step Process**

1. Drive a “Stake in the Ground”
2. How many will buy per month – from all?.
3. How many will buy from you?
4. Refinement.

FALACIES.

- Market forecasting is hard. **NOT!**
- You need to buy market information. **NOT!**
- You need a market professional. **NOT!**

ALL “horse manure.” Do it yourself and get it right.

WARNING:

- **DO IT OR DIE.**
- **MIGHT TELL YOU YOU'RE A "TURKEY"**
- **WILL TELL IF YOU ARE IN THE WRONG BUSINESS (OR IN BIG TROUBLE).**
- **SAYS IT ALL. NOT FOR THE WEAK.**

THIS IS TRUTH.

What is it for?

- **TO CLEARLY ASSESS YOUR CHANCES**
 - Is there enough business for you?
 - Your chances of success.
- **TO TELL YOU IF MORE REQUIRED.**
- **TO TELL YOU LIKELY SALES/MONTH.**

The basis for any and all businesses. STEP #1.

The Result

What it looks like. This is the job.

Market Forecast		Predict for 18-Months >	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Product A	All Units sold		100	100	100	100	100	150
Product B	All Units sold							
Product or Service A	SALES	Units you will sell	5	8	10	20	25	30
		Avg Price						
		Product A Sales						
Product or Service B	SALES	Units you will sell						
		Avg Price						
		Product B Sales						

“Product” is whatever you are selling: a thing, a capability, an action, yourself, whatever.
Must first define it clearly—and write down.

HOW TO DO IT.

STEP 1

- **DRIVE A STAKE IN THE GROUND:**

- Have the product in mind.
- Have the typical buyer in mind.
- Have your market area in mind.
 - Neighborhood, city, county, nation?
 - Men, women, white, minority, intergalactic aliens, or all?

Hurt your head, be realistic, find some info or go with your gut.

HOW TO DO IT.

STEP 2

- **HOW MANY CUSTOMERS (OR THINGS BOUGHT) PER MONTH – ALL SUPPLIERS?**
 - **Example:** You expect that less than 10 will buy each month, or 100 per month, or 500 per month ...etc. Simply pick a number and write down the number, month by month.

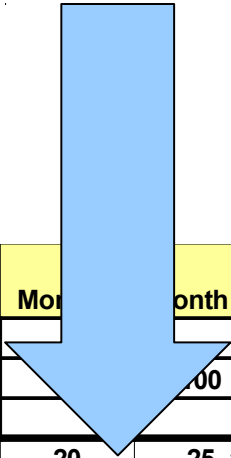
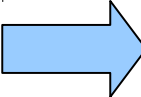
Market Forecast	Predict for 18-Months >	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Product A	All Units sold	100	100	100	100	100	150
Product B	All Units sold						

Guess, ask smart acquaintances, use your brain.

HOW TO DO IT.

STEP 3

- **HOW MANY WILL BUY FROM YOU?**

Market Forecast		Predict for 18-Months >	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
	Product A	All Units sold	100	100	100		100	150
	Product B	All Units sold						
Product or Service A	SALES	Units you will sell	5	8	10	20	25	30
		Avg Price						
		Product A Sales						
Product or Service B	SALES	Units you will sell						
		Avg Price						
		Product B Sales						

Again, start by guessing. Then improve over time.

HOW TO DO IT.

STEP 4

- **SCALE UP, AND/OR,**
- **REFINE.**
 - Repeat with better information (continuously.)

Citywide or national? Can you find more balanced information?

A Next Step?

- www.scorecr.org/library
- www.scorecr.org/seminars/
- www.scorecr.org

Let's do examples.

Walk-through an example.

Real life case – any volunteer?

Questions?