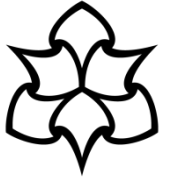


2025 KTP Conference

Strategic Frameworks and Models – Driving the Agenda for Change

Professor Paul Smith



Covering 3 areas

1. Strategy and strategic fit between the KTP and business strategy
2. Business models and use of partnerships and eco-systems
3. Using AI and ML in KTPs

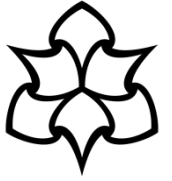
- in each case giving examples from past KTPs to illustrate points



[This Photo](#) by Unknown Author is licensed under [CC BY-SA-NC](#)

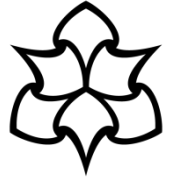


Strategy and Strategic Fit



Strategy and Strategic Fit

1. For all KTPs, it is important to validate existing strategy and context for the business.
2. As part of this process, use of a comprehensive strategic framework to capture and review existing strategy can be a useful approach.
3. One such strategic framework I have found effective is that first advocated by Rakesh Sondhi, a strategy consultant and academic, more than 25 years ago. It has two important components: **VMOST** and **The Strategic Process**



Strategy and Strategic Fit - VMOST



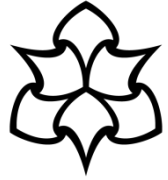
Vision - long term aspiration for the business
'what we will be in five – ten years time'

Mission - what we will do in order to achieve
the vision

Objectives – a set of strategic goals aligned to
driving the mission and progressing toward
the vision. Should be SMART. Link to KPI's.

Strategic themes – the long-term changes
needed to meet objectives, providing
direction.

Tactics – detailed short-term plans, projects
and actions that will deliver the strategy by
addressing strategic themes. **(KTP activities!!!)**



Strategy and Strategic Fit - VMOST

Vision

To be the recognised global brand for kids and family insights, with turnover exceeding £50m within 5 years.

Mission

We will be business critical partner to over 100 large businesses who put families at the heart of their market research needs.

Strategic Objectives

- Growth through opening 7 additional offices in our top 4 markets (including the UK) within 5 years, starting with the US in 2024.
- Generate significant improvements to usability and functionality of the portal, with a programme of bi-annual major upgrades each year.
- Build a world class Key Account Management & Management Information System (based on staff feedback and external evaluation) in support of growing and retaining partners by mid 2024 and enhance and refine systems over the next 5 years.
- Generate new income streams outside of syndicated research for kids and families, with 30% of revenues from these sources by 2025, growing to 40% by 2028.
- Create new pricing models for syndicated research by 2024, reflecting needs and consumption patterns of key clients linked to ABCLMPS. Refine and develop these approaches with market testing through the next 5 years.

Strategic Theme 1

Change the approach to sales, delivery and pricing models for syndicated research¹

Strategic Theme 2

Develop an evidence- based innovation culture, process and governance model²

Strategic Theme 3

Build additional capabilities in KAM, digital marketing and MIS in support of partnerships with key clients and channel providers³

Strategic Theme 4

Develop and enhance TIF's core competencies and unique assets to maintain and grow competitive advantage⁴

Tactics Example⁵

Project to classify continual, regular and one-off market research needs in ABCLMPS categories and design sales delivery and pricing accordingly.

Tactics Example⁵

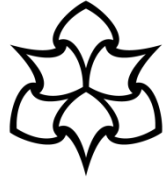
Project to define innovation culture in terms of desired values, attitudes beliefs and behaviours. Build an innovation process and governance model.

Tactics Example⁵

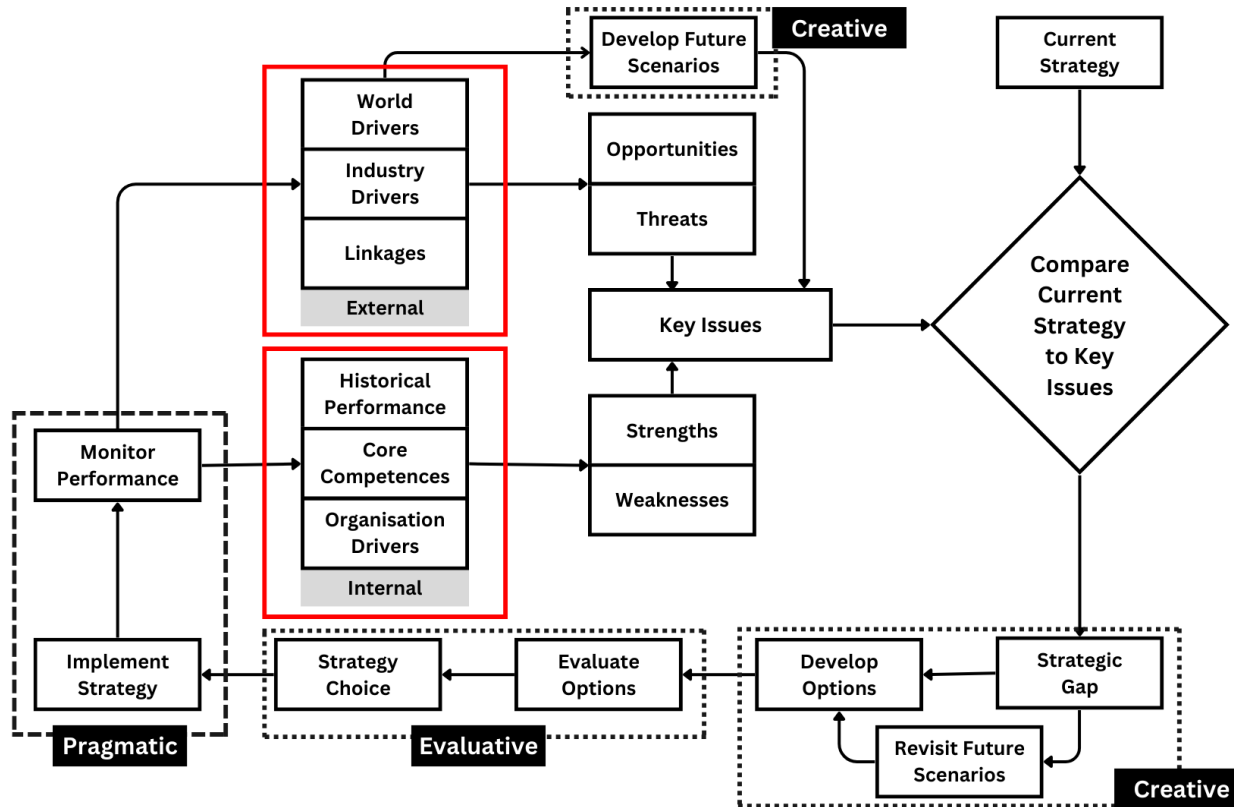
Design and implement three projects – KAM approach and processes, digital marketing review and MIS review linked to key metrics supporting strategy.

Tactics Example⁵

Undertake a project to robustly identify unique personas (segments) based on psychological, behavioural and demographic factors that can enhance insights.

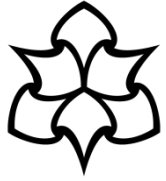


Strategy and Strategic Fit – The Strategic Process



Strategy must continually evolve and adapt to succeed, whilst trying to continue to aim for the long-term vision.

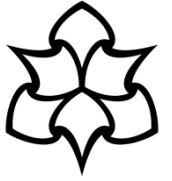
External and Internal factors must be reviewed and any change to strategy identified and VMOST updated.



Strategy and Strategic Fit – The Strategic Process

External Factors (Opportunities and Threats)

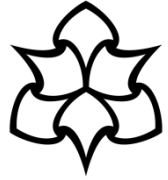
- WORLD DRIVERS (Political, Economic, Social, Technological, Environmental, Legal) e.g., Covid, Brexit
- INDUSTRY (Porter's 5-Forces, Competitor and Stakeholder analysis)
- LINKAGES (impact of relationships with and dependencies upon other industries – Business Model Canvas, Industry Analysis.)



Strategy and Strategic Fit – The Strategic Process

Internal Factors (Strengths and Weaknesses)

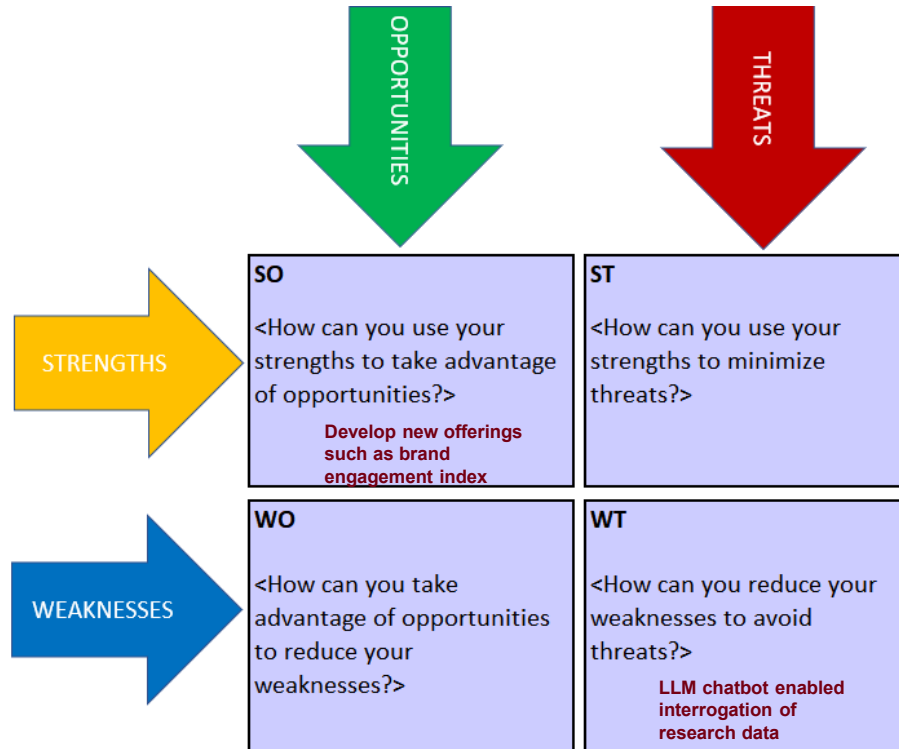
- HISTORICAL PERFORMANCE (Key financial indicators, and benchmarking)
- CORE COMPETENCIES (Internal competencies and assets (including relationships and reputation/brand) supporting competitive advantage)
- ORGANISATION DRIVERS (Leadership style, culture, staff and skills, organisational structure)



Strategy and Strategic Fit – The Strategic Process

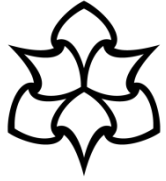
TOWS analysis

Result of this may be
new Strategic
Objectives, and/or new
Strategic Themes,
and/or new **T**actics





Business Models and Partnerships



Defining a business model

“A business model describes the rationale of how an organisation creates, delivers and captures value”

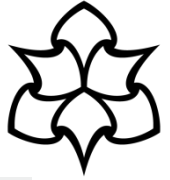
Osterwalder, A. and Pigneur, Y. (2010) *'Business model generation: a handbook for visionaries, game changers, and challengers.'* Wiley.

“A business model reflects the outcome of a firm’s **strategic choices** and how the firm **executes its strategy**. It focuses specifically on creating and appropriating customer value”

Strategy










Operating Model

Volberda, H. and Heij, K. (2017) *Reinventing Business Models: How Firms Cope with Disruption*. Oxford University Press.



Business Model Canvas

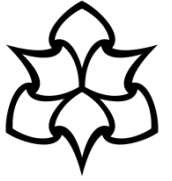
Key to
stretching
limited
resources in
SME's is
the use of
partnerships

The Business Model Canvas		Designed for:	Designed by:	Date:	Version:
Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 	
	Key Resources 		Channels 		
Cost Structure 		Revenue Streams 			

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DESIGNED BY: Strategyzer AG
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strategyzer.com

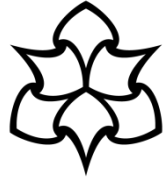


What is partnership in this context?

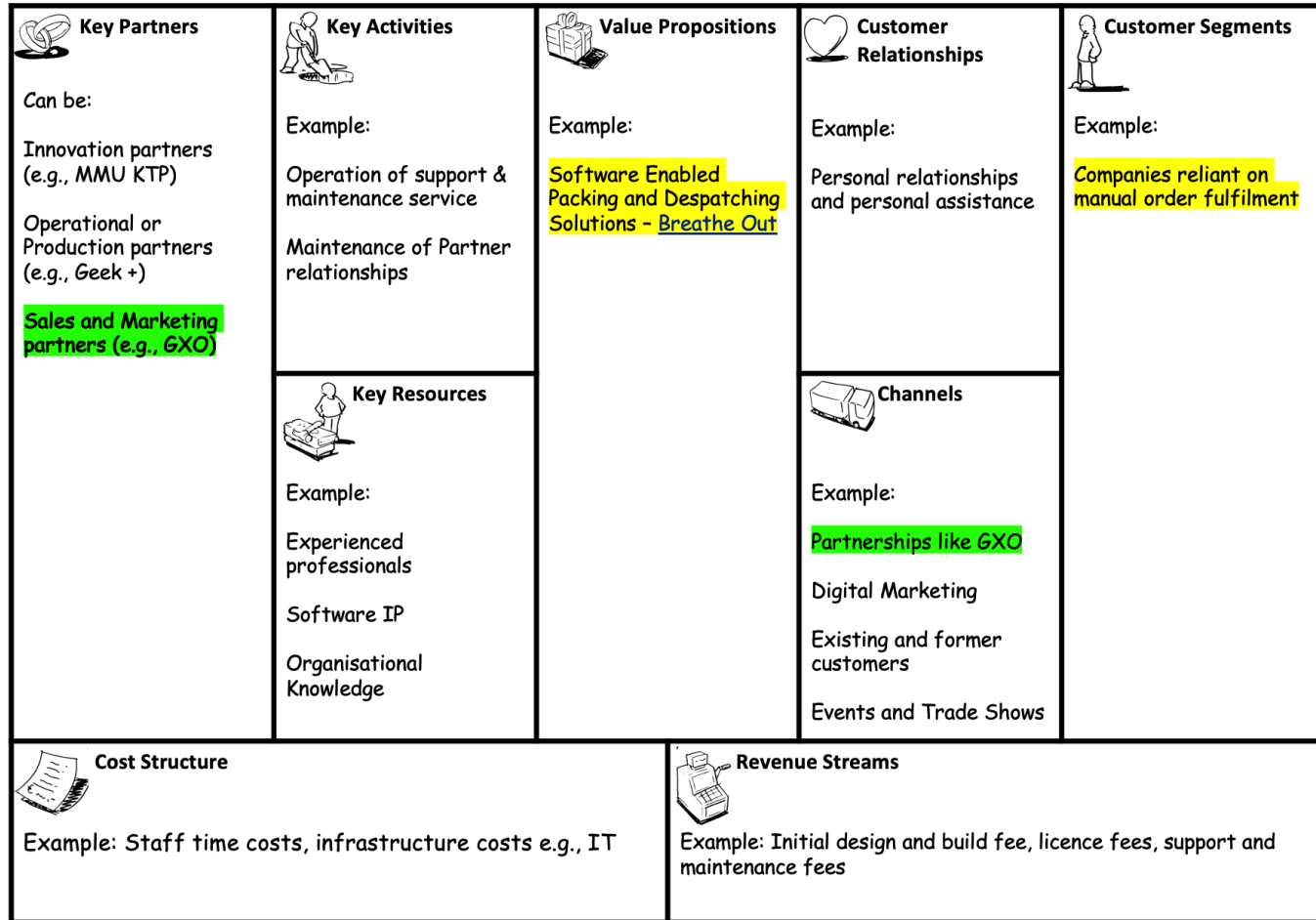
In this context a partnership:

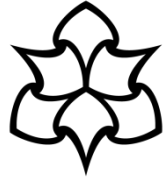
- Is strategic (involves joint plans over a period of years to mutual benefit)
- Involves some exchange of value between the partners

For example, a sales and marketing partnership might involve agreed joint approaches to marketing, an agreed set of KPIs or targets, and agreed parameters within which the partners are prepared to work together.



Business Model Canvas Example





Assessing partnership opportunities

Questions when assessing a potential sales generation (Channel) partner

You should be able to say yes to the majority of the following:

Question	Please Tick To Show Agreement	Yes / No
1. Does this organisation or person have access to a large number of possible target customers for your business?		Y/N
2. Do you have something of value (beyond cash or cash equivalent incentives) to offer to this organisation or person in return for their support in introducing business to you?, such as (tick those appropriate) : <ul style="list-style-type: none"> Specialist knowledge you can share with them to allow them to enrich their customer conversations. Willingness to go jointly to market with combined propositions with them Marketing collateral or research Right to trade giving them synergies with other business activities 		Y/N
3. Do you believe it is possible to develop a high quality relationship with the organisation or person that can include jointly agreed strategic plans and performance / success measures? Please support this by showing agreement to 3.a. to 3.d. below as appropriate:		Y/N

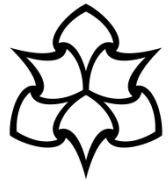
3.a. This is a relationship where we feel Trust* can be maintained	Y/N	
3.b. This is a relationship where we feel Commitment* can be maintained	Y/N	
3.c. This is a relationship where we feel Satisfaction* can be maintained	Y/N	
3.d. This is a relationship where we can agree and maintain Mutual Goals*	Y/N	
4. If this is an existing relationship, is there already evidence of reciprocity in some form with this organisation or person, or If this is not an existing relationship, can we see a way to approach the potential partner and explore a mutually beneficial relationship?		Y
5. Is it true to say that there is no known competitor that has a strong existing partnership with this organisation or person that would prevent an effective partnership?		Y

“Trust” - the belief that both partners can be relied on to fulfil their obligations and to behave in a benevolent manner

“Commitment” - the belief that the partnership will continue to be valuable and effort will be applied by the partners to maintain it for the longer term

“Satisfaction” - the belief that both partners will evaluate the partnership as positive and delivering value overall all

“Mutual Goals” - jointly agreed strategic and operational outcomes (financial, technical, competitive) from the relationship



Assessing partnership opportunities

Questions when assessing a potential supplier partner

You should be able to say yes to the majority of the following:

Question	Please Tick To Show Agreement	Yes / No
1. Does this organisation or person have the ability to help you create innovative and original products and services for your market?		Y/N
2. Do you have something of value (beyond cash or cash equivalent incentives) to offer to this organisation or person in return for their support in introducing business to you?, such as (tick those appropriate): <ul style="list-style-type: none"> Specialist knowledge you can share with them to allow them to enrich their innovation processes. Willingness to go market their products as a distributor (for example in the UK) Marketing collateral or research IP you can share 		Y/N
3. Do you believe it is possible to develop a high quality relationship with the organisation or person that can include jointly agreed strategic plans and performance / success measures? Please support this by showing agreement to 3.a. to 3.d. below as appropriate:		Y/N

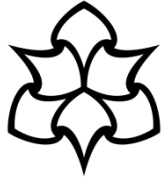
3.a. This is a relationship where we feel Trust* can be maintained	Y/N	
3.b. This is a relationship where we feel Commitment* can be maintained	Y/N	
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“Trust” - the belief that both partners can be relied on to fulfil their obligations and to behave in a benevolent manner

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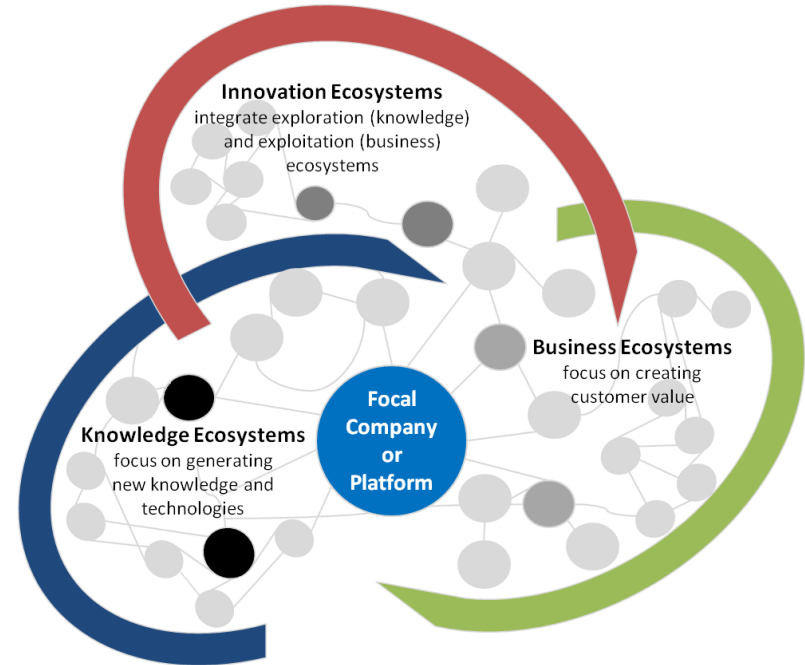
“Mutual Goals” - jointly agreed strategic and operational outcomes (financial, technical, competitive) from the relationship

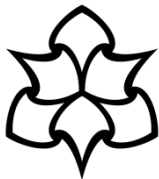


Ecosystems and stakeholders

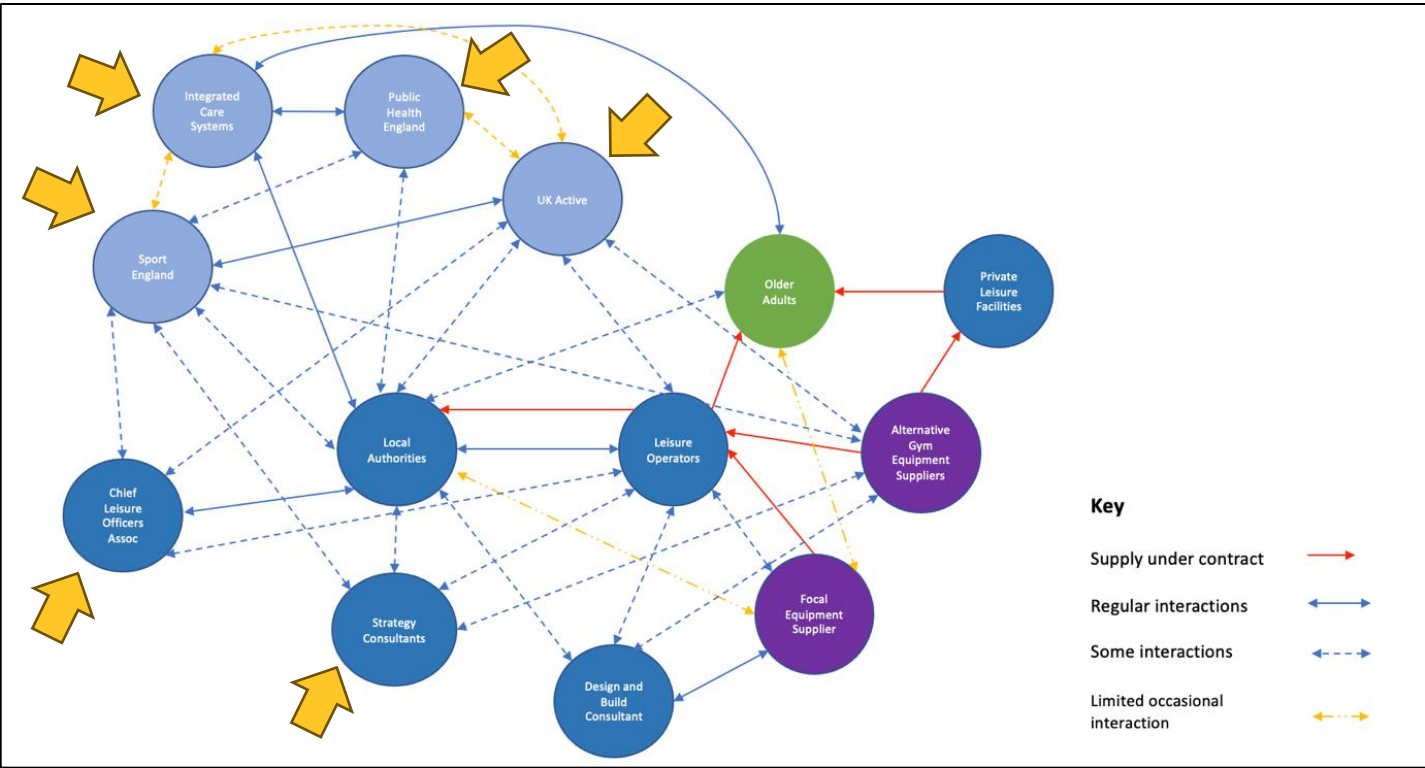
In today's competitive environment, a firm functions within complex networks of interrelated stakeholders referred to as 'ecosystems' ([Jacobides et al., 2018](#)). An ecosystem comprises a network of “multilateral, independent, heterogeneous, yet interdependent” ([de Vasconcelos Gomes et al., 2022](#)) stakeholders such as suppliers, investors and owners, customers, competitors, policymakers, community organisations, industry associations and the media.

Assessing and influencing this network of stakeholders can significantly aid business performance, particularly in terms of marketing and innovation.



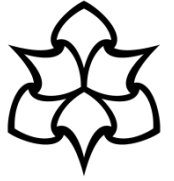


Ecosystems and stakeholders - example





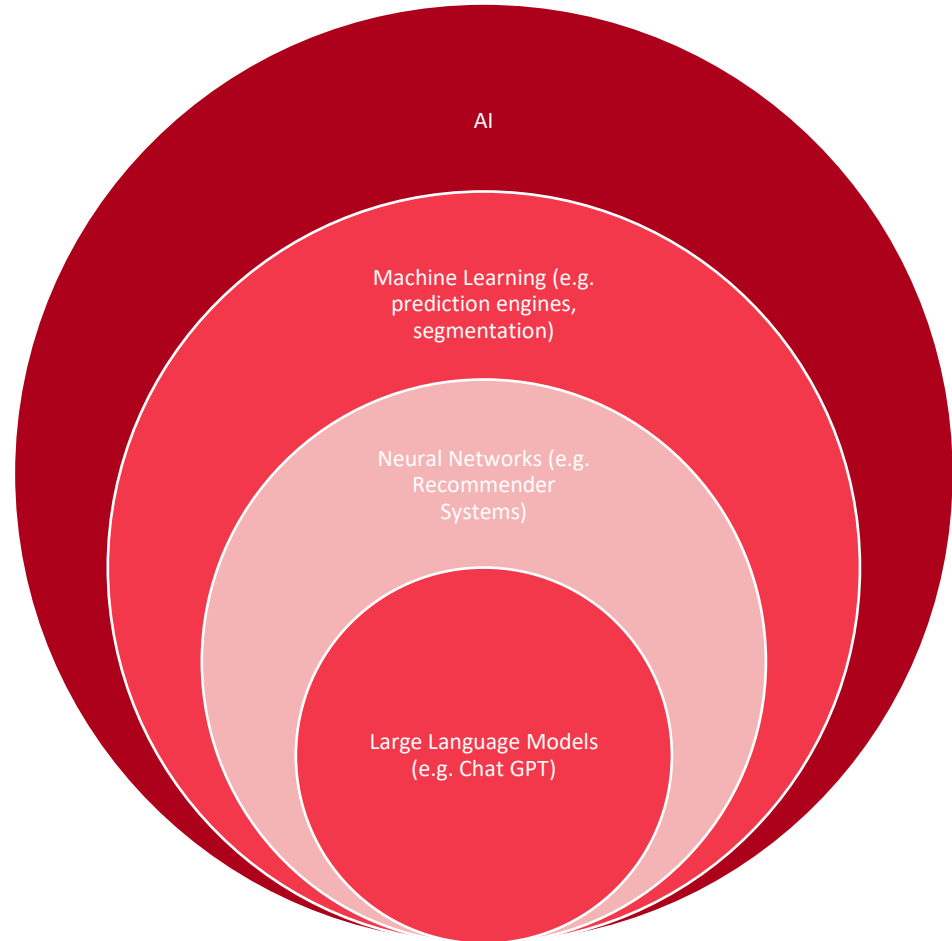
Using AI in KTPs

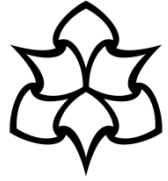


What is AI?

Artificial Intelligence (AI)
“entails programs,
algorithms, systems and
machines that mimic
intelligent human behaviour”

Kopalle, Praveen K., et al. "Examining artificial intelligence (AI) technologies in marketing via a global lens: Current trends and future research opportunities." *International Journal of Research in Marketing* 39.2 (2022), 522-540.





What is AI?

In Large Language Models (LLM's)
text is transformed into sequences
of numbers (tokens)

Add message

Please tell me about large language models like Chat GPT, and explain how they work.

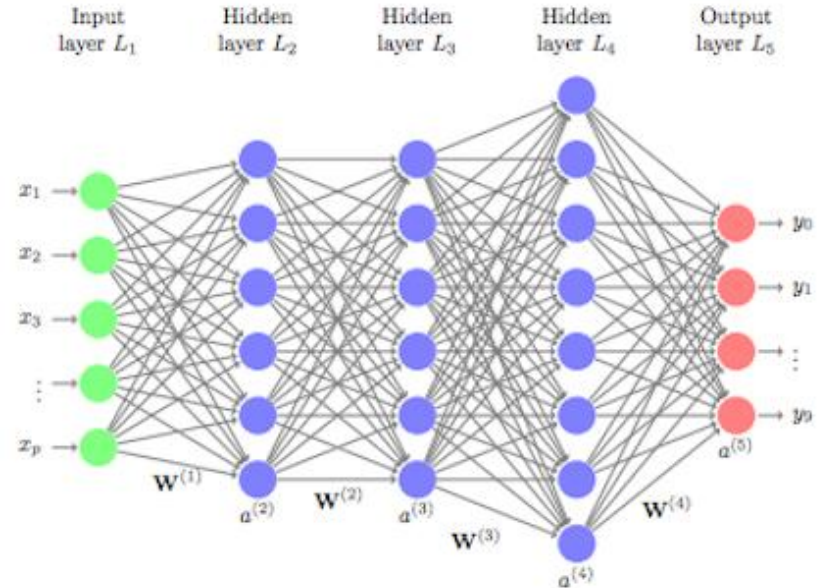
Token count
17

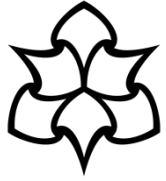
Please tell me about large language models like Chat GPT, and explain how they work.

8256, 5485, 668, 1078, 4410, 6439, 7015, 1299, 17554, 174803, 11, 326, 16644, 1495, 1023, 1101, 13

☐ Show whitespace

The numbers (x) are then fed into the LLM
model (a neural network), output as strings
of tokens (y), and converted back into text





AI in Marketing: Framework for Potential Application

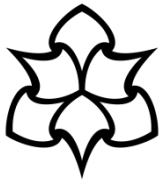
I have created a framework to evaluate opportunities for using AI in all stages of marketing – see file in Moodle (Session 4) – published as part of a book chapter in a soon to be released Sage Publication – The Sage Handbook of Industrial Marketing.

It is derived from models and concepts in academic articles as set out below:

Huang, Ming-Hui, and Roland T. Rust. "A strategic framework for artificial intelligence in marketing." *Journal of the Academy of Marketing Science* 49 (2021), 30-50.

Mintz, Ofer, and Imran S. Currim. "What drives managerial use of marketing and financial metrics and does metric use affect performance of marketing-mix activities?" *Journal of Marketing* 77.2 (2013): 17-40.

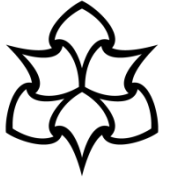
Ngai, Eric WT, and Yuanyuan Wu. "Machine learning in marketing: A literature review, conceptual framework, and research agenda." *Journal of Business Research* 145 (2022), 35-48.



AI in Marketing: Framework for Potential Application

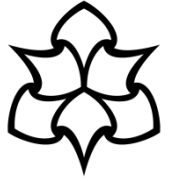
	Types of AI Application			
Marketing Activity	Mechanical AI Use?	Thinking AI Use?	Feeling AI Use?	Creative AI Use?
Market Research:				
Understanding competitors, customers and stakeholders				
General market analysis				
Mapping stakeholder journeys				
Support in obtaining evidence for finalising strategic and tactical choices.				
Evaluating brand and corporate market position and sentiment.				
Marketing Strategy:				
Segmentation – identifying				

Left column represents different marketing activities, Top row represents different types of AI application (see next slide)



Use of AI in basic research in KTPs

- Finding new overseas suppliers via LLM's – e.g. paperboard manufacturers (used Grok and Claude free tools incorporating web search)
- Finding new overseas customers in target industries e.g. air filter manufacturers (used Grok and Claude free tools incorporating web search)
- Identifying overseas garden furniture manufacturers to help with Innovation processes (used Grok and Claude free tools incorporating web search)
- Helping analyse customer interview and CRM transcripts for two KTP clients to help identify major themes (used Microsoft Copilot and Notebook LM)



Three /(four) KTP projects involving use of AI

Warehouse automation integrator SME

- Developing ML order fulfilment optimisation software



Syndicated market research SME

- Use of LLM's to query proprietary data for insights



Exercise Machine Manufacturer SME

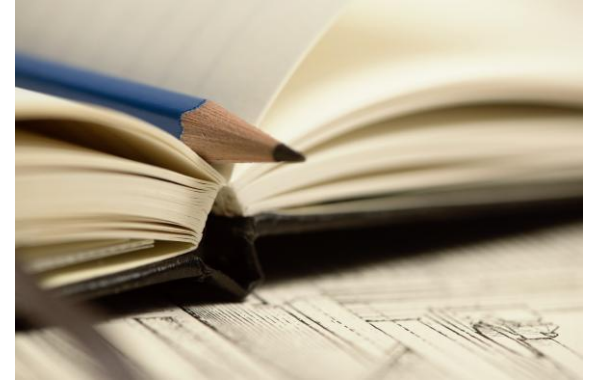
- Use of machine learning segmentation of older adults





Learnings

1. Need to fully understand the strategic need, and design the solution to have an enduring strategic benefit (what is unique to the SME, what are strategic risks?),
2. Appreciate the Intellectual Property and data privacy issues and factor that into the solution design decisions,
3. Proprietary data may be your biggest asset (whether you already have it, or the AI generates it),
4. Hardest part of AI and machine learning project revolves around data selection and data transformation,
5. Only build your own AI algorithms or adopt 'fine tuning' when you have to – high cost, high maintenance obligation and may soon be obsolete. Stay agile.





Questions?

