

What was the situation?

Captive dealer financing organization of an iconic automotive brand was looking for alternative growth strategies. The goal was to find ways for investment portfolio diversification while simultaneously leveraging existing core competencies and infrastructures. This diversification would:

- Improve the risk profile of the investment portfolio
- Provide a better asset backed financing base
- Provide additional sources of financing revenue

... find ways for investment portfolio diversification while simultaneously leveraging existing core competencies and infrastructures

These ambitious goals were threatened by uncertainty in the market place, presence of substantially larger players in the same industry possessing identical core competencies but also more resources and larger and more sophisticated infrastructure.

What was done?

Multiple project streams were pursued simultaneously. One stream focused on core competency assessment, another on market category analysis and key success factors for each category, yet another on concentration of potential competitors and market entry strategies. A market attractiveness evaluation method was devised to organize the research data and objectively prioritize potential strategic expansions.

The resulting SWOT model was used to develop market entry strategies :

- acquire into
- build own competency
- hybrid model

After elimination of market segments with obviously weak attractiveness (either because of low compatibility or prohibitive barriers to entry), key success factors of the remaining segments were compared against client's core competencies. The resulting SWOT model was used to develop market entry strategies - acquire into a market segment, build own competency and enter the market, or a hybrid model. Each model was evaluated from stand point of required investment in time and money and final recommendation was developed and presented to the Executive Management Team.