

Driving Commercial Strategy

The challenges of driving a commercial growth strategy in niche B2B markets



Long vs short term

In most organisations there's a pull between the operational, day-to-day running of the business and ensuring there's a plan to continue to grow and maintain revenues and profit.

But balancing long-term and short-term commercial planning is essential for both the current and future health of your business.

Where will growth come from?

The first challenge is understanding potential areas for growth, across existing clients versus new clients and existing markets versus new markets.

Put too much focus on existing clients and you risk missing opportunities to expand your market penetration. But too much emphasis on finding new business and new clients could mean you risk neglecting your existing clients, which may eventually mean they look to a competitor for the support they need.

In rapidly changing markets and with stretched resources, it's a challenge to ensure you focus what you have on securing and developing market connections and relationships that will turn into the best and most fruitful commercial opportunities.

Across the teams focused on commercial growth, you need to ensure you balance nurturing and growing existing customer relationships with looking to grow your market penetration into markets and organisations that you don't already work with.

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Making the most of available resources to secure business

Supporting existing customers can be a challenge. How can you understand how to add more value to the different functions, locations and roles across their organisations? Keeping track of their business landscape, company activities and operations can be a formidable task.

Knowing exactly what's happening with existing customers so as not to miss any opportunities, can be a full-time job.

Understanding the market drivers

Changes in external factors that are beyond your control can make or break your current commercial strategy as well as your future plans.

Changes in environmental, legal and political policy as well as technical and social shifts across your target markets can have a fundamental impact on your commercial (as well as operational and research and development) strategies. The objective is to understand shifts and changes well enough to translate them into risks and opportunities for your business. This can be a particular challenge in complex industries where all the knock-on impacts and implications of changes are not always easy to understand or interpret.



Scoping and understanding your addressable market

When your business serves niche markets it can be difficult to understand which factors would define an eligible customer that has a need for your service. For example, in maritime, the shipping ecosystem is complex and interconnected, requiring an intimate knowledge of the industry in order to define your target market.

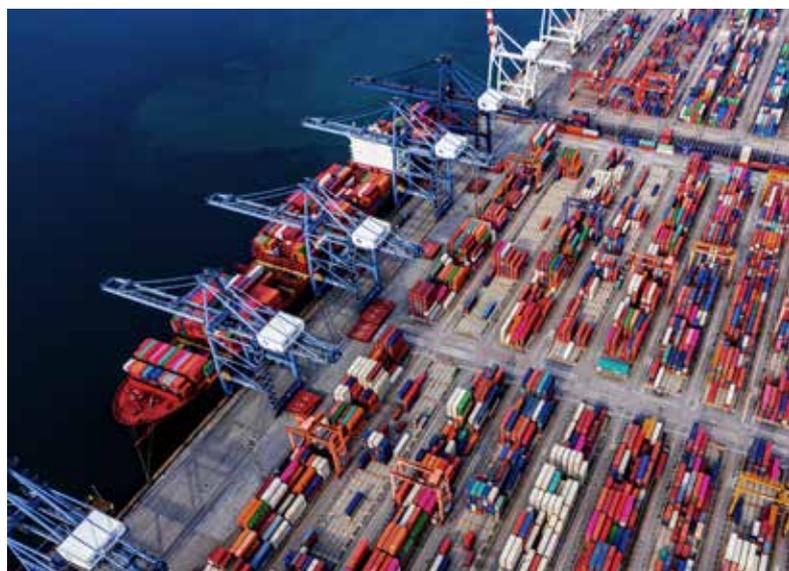
For those in technical B2B businesses that deliver equipment or services to shipping, the characteristics and equipment onboard a vessel may determine whether a ship operator has a need for your service or not. It's a challenge to get the level of information you need to be able to pin down your addressable market.

Getting the right level of information on a company and the market is critical to help you determine the market size and the companies that would be within your addressable target market, so that you can identify opportunities that occur as a result of market developments or changes. Understanding this is often burdensome in niche industries, particularly for companies that are operating internationally and are scoping and defining their markets remotely.

Plus, for commercial professionals operating in an industry or market that exists in other global regions, tracking the market changes and factors affecting the market can be time consuming. Understanding market events and changes can be key for some organisations where, for example, changes on the other side of the globe could offer opportunities to sell their services.

“The shipping sector has always been a complex marketplace to operate in but is now facing heightened uncertainty from global issues such as health crises, trade wars, environmental concerns and the rapid uptake of new technologies. These are potentially epoch changing developments that will have significant impacts on the industry in the years to come.”

Richard Meade, Managing Editor, Lloyd's List



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Challenges of understanding your customers' and prospective customers' needs

The more you understand about your customers and target markets, the more you'll be able to expand your commercial opportunities. As you build a deeper understanding of what the users and buyers of your services do, and what they need to do their jobs effectively and drive their business growth, you can build a picture of what opportunities you have to support your markets and customers.

But as mentioned previously, it's often a challenge to balance the short-term management and delivery of current services with understanding and identifying needs that can drive your future product or service offer, which will in turn drive revenue growth.

Getting a deep dive insight into your current and prospective customer needs and challenges is easier said than done if you don't have connections to the right people within your addressable market companies, even if you know who your prospective companies are.

Once you are able to gather insight, you then need to make sense of it so that you can prioritise the biggest opportunities to differentiate yourself in the market, and then identify the biggest challenges for your customers, that they're prepared to pay to solve.

Whether you've got a new offer or want to highlight advances and improvements, it's crucial to reach the right individuals

Finding the right people is always a key challenge for everyone in commercial roles, particularly as individuals change roles and companies. Responsibilities can differ from one organisation to another, so finding those with common needs to communicate is essential.

Getting the conversation started

Once you've found the right contacts and understand their needs and challenges, you need to consider how you are going to get your message through to them in the media they see and read every day.

You need to consider how you can be helpful, and you can start by asking yourself 'what's in it for the customer?'

You may have a desire to tell your target audience how you can help them, but first they need to understand that they have a problem or a need that should be addressed.

Your next task is to understand what's going to be helpful and interesting to your target audience. This will get their attention and make them want to know more. This is a real challenge when the individuals may work in industries and roles that are very different from those of your organisation.

Once you've defined your content and message, your next move is to reach them and get the message in front of them.

With the common overuse of email and recipients increasingly ignoring 'promotional' messages that tell, (and don't show), how they help, it's difficult to cut through the noise and get your audience's attention.

Maintaining an ongoing dialogue with your customers and target market so that you're front of mind when they need a service or solution like yours is an ongoing challenge for all. Too much communication that's not relevant and people switch off, ignore, block or unsubscribe from your messages. Too little communication and you risk losing visibility, leading to a lack of brand awareness and possible change in market perception about your organisation.

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Achieving this balance ensures your position as 'partner of choice' when they need your product or service, or as a minimum provides them with enough adequately convincing information about the benefits of working with you. But this requires a solid strategic plan and reliable communication channels, so that your messages are seen in the right place at the right time.

This guide was brought to you by the experts at Lloyd's List Intelligence, delivering transparent and actionable maritime data and analytics powering decisions that drive the safe, efficient, and lawful movement of seaborne trade.

To find out more, please get in touch. Our details are on the final page.

To find out more about any of the challenges mentioned, or how to resolve them, get in touch with a member of our team today.

America Tel: +1 212 600 3460

EMEA Tel: +44 (0)20 8052 0628

APAC Tel: +65 6973 3570

[Lloydslistintelligence.com](https://lloydslistintelligence.com)

