



## **Funosophy Words of Wisdom Toy Book March 2006**

### **Plan for Growth!**

Can you really PLAN for growth? Or is it just luck when growth happens? We have seen time and time again that you can actually plan for growth (and be well positioned to capitalize on luck when it does come your way)!

The key is to start with your brand strategy, of course (see February 2006 issue of Toy Book for wisdom on brand strategy). Once you've achieved clarity on your overall brand strategy for growth, including your brand positioning, you're ready to translate it into a product strategy and develop your product plans.

A product strategy should flow directly from the brand's positioning. The product line should represent tangible evidence to the consumer of why they should believe the promise you are making in your brand's positioning. Product strategies may evolve, but since they are designed to stay true to the brand essence, they don't "turnover" as much as product plans do. In fact, a good rule of thumb in an industry that prizes newness (like toys) is that you should maintain consistency in your brand essence (your positioning), but innovate everything else...and that means the product line itself.

Therefore, a strategic product plan should change each season or year. The product plan is the strategic framework for your product line that defines the scope of the creative exploratory to be done in the concept ideation stage. So how do you go about creating a product plan?

First, consider the most important ways in which your competitive category is segmented. This might be by price point, by channel, by age segment, by size, by material, by play pattern, by theme, etc.

**Then create a series of matrices looking at two of the segment criteria at a time.** Each box in the matrix represents a potential product "slot." A slot is a strategic description of a product opportunity that actually precedes the creative concept.

Starting with slots instead of creative concepts helps you make sure your product line is covering all the key strategic opportunities in your category and helps you identify any gaps and /or opportunities.

Every slot in your product line has a strategic reason-for-being. In fact, many people in the industry call their product plan document their “slots and rationale.”

- ? A slot is designed to hit a certain price point, appeal to a certain consumer, and deliver a certain volume potential.
- ? It may be defined as TV-advertised or non-promoted, and have different margin targets as a result.
- ? It may be considered for FOB only or FOB/domestic.
- ? It may be a slot for a specific account or channel.
- ? It may be an anchor or a flanker, intended to be either a primary purchase or a secondary purchase to supplement something else in the line.
- ? It may be a volume-driver or an image-enhancer.
- ? It may be oriented more to defending against a direct competitive threat.
- ? It may be presumed to be a pegged item or an item to be placed on shelf.

Think of a slot as a space that has been thoughtfully created based on your understanding of your brand, the consumer, and your growth strategies and think of the creative concept as filling that slot.

Once you have your spaces defined, you can then attack the process of filling the spaces through concept development or invention acquisition. The strongest companies tend to create multiple candidates to fill key slots so they have the luxury of picking the strongest, often with the help of the consumer via concept testing.

Of course, defining your product line is always an iterative process. You know the saying, “the best laid plans...” For example, the target price changes based on costing information, or the idea is so strong you decide to advertise it, or the trade didn’t bite so the slot gets dropped along with the product concept. But don’t let the need to be flexible deter you from thoughtfully laying out your strategic product plan.

It is the single most important lever you have to planning for growth.

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