

Technology Strategy

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Overview

- **Why buy technology**
- **Slow vs. fast technology adoption**
- **Breaking out**
- **Competitive positioning**
- **Shifting values**
- **Some general principles**

Why People Buy

- **Time**
- **Delivered value**
 - **Financial**
 - **Time**
 - **Satisfaction**
 - **Entertainment**
- **Compatibility with existing values**
- **Complexity**
- **Trialability**
- **Communicability**

Technology's Early Adopters

- **Technology is a central interest, regardless of function**
- **Are less interested in the application than the technology itself**
- **Pursue new technologies aggressively**
- **Sometimes buy even before marketing has been launched**
- **Often buy just to explore a new device's properties**

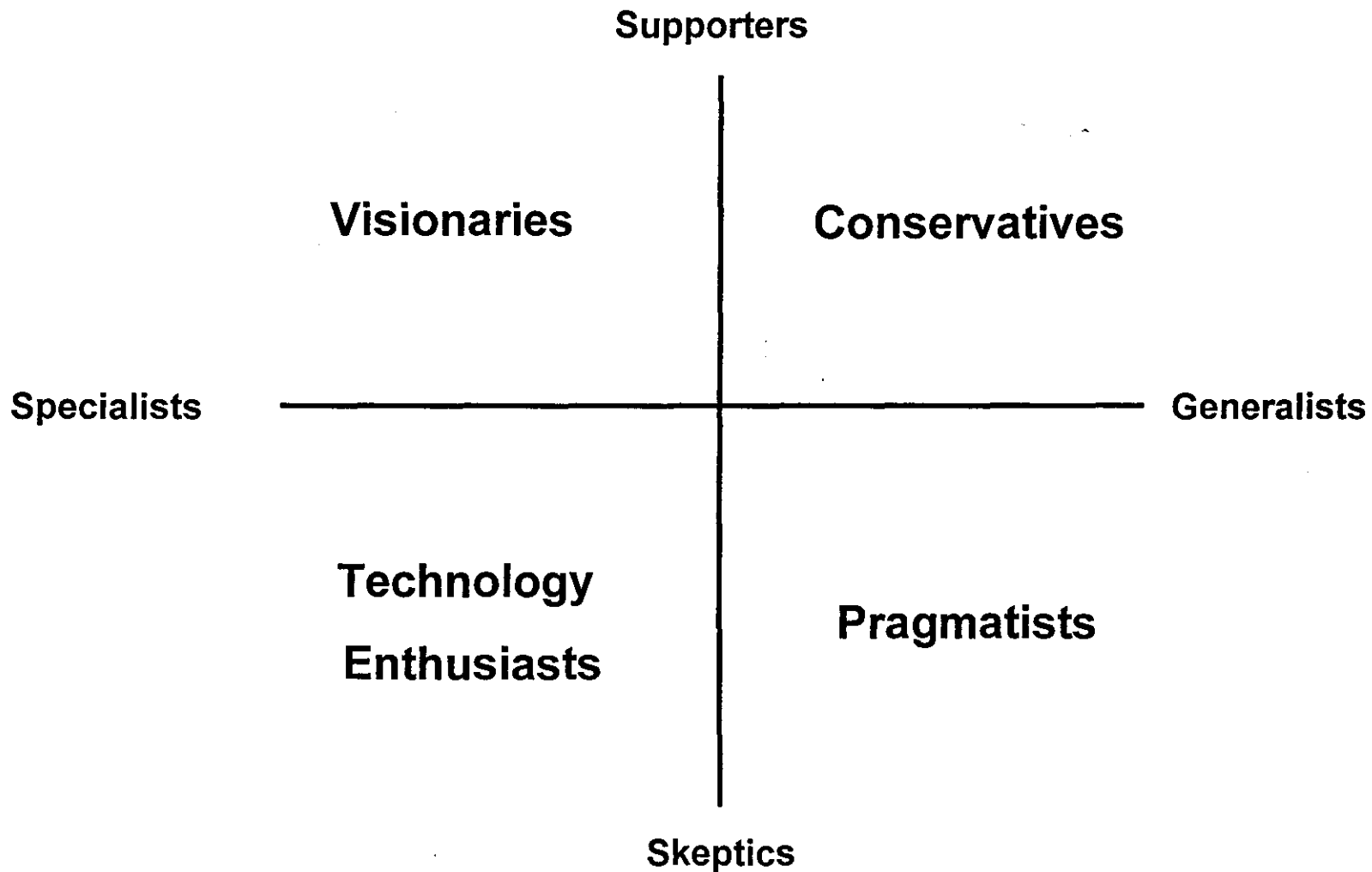
Some Slow Innovations

- **Why have some innovations been so slow?**
 - **High definition TV**
 - **Unix, Linux, OS/2**
 - **Artificial intelligence**
 - **Pen-based computing**

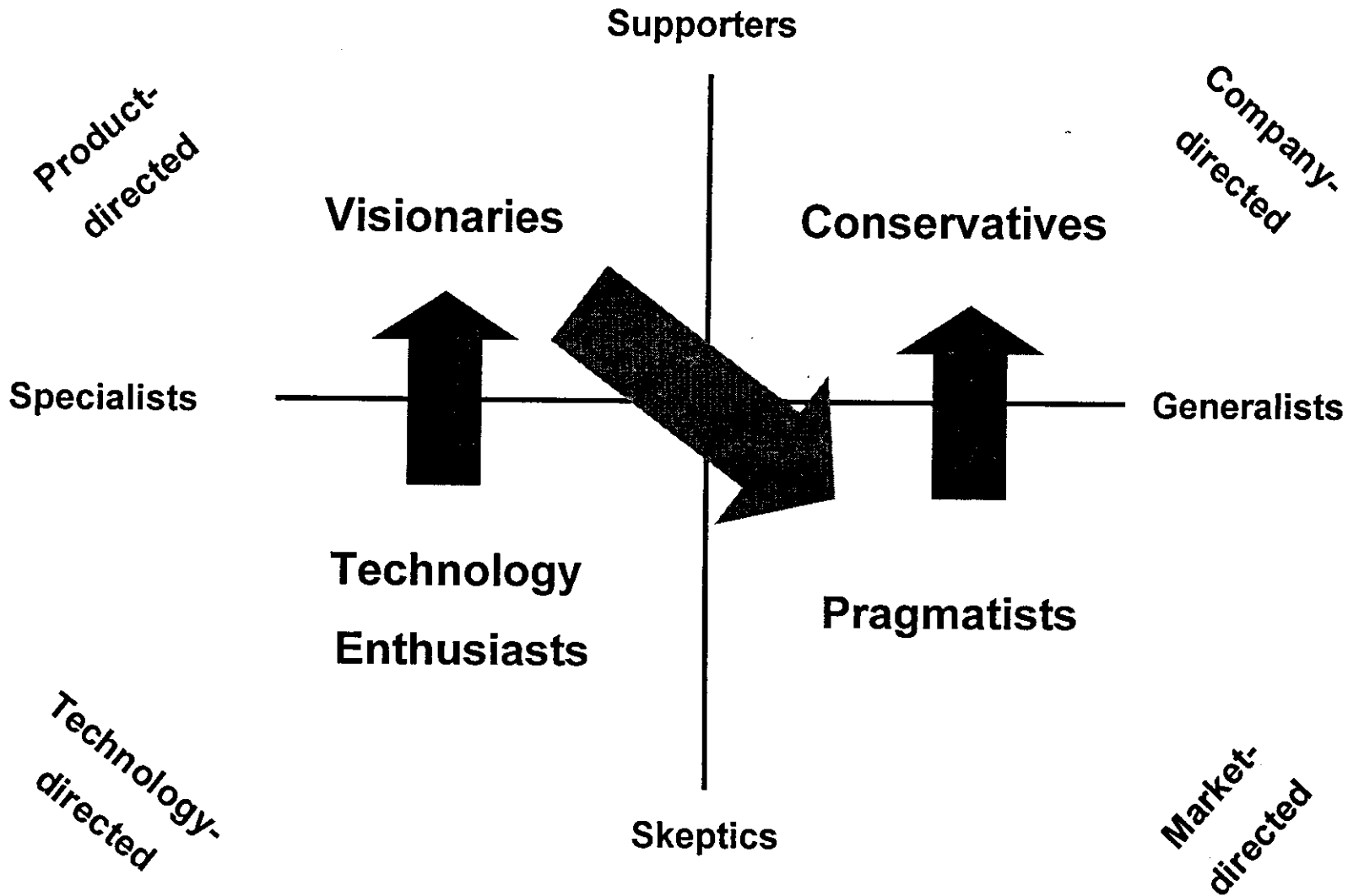
Visionaries vs. Pragmatists

| Visionaries | Pragmatists |
|--|--------------------------------------|
| Intuitive | Analytic |
| Support revolution | Support evolution |
| Contrarian | Conformist |
| Break away from the pack | Stay with the herd |
| Follow their own dictates | Consult with colleagues |
| Take risks | Manage risks |
| Motivated by future opportunities | Motivated by present problems |
| See what is possible | Pursue what is probable |
| See with their eyes closed | See with their eyes open |

Competitive Positioning



Competitive Positioning



Shifting Technology Values

| From Product-centric values | | To Market-centric values |
|--|--|---|
| Fastest, smallest, lightest, etc. | | Largest installed base |
| Most elegant "architecture" | | Most 3rd-party supporters |
| Product price | | De facto standard |
| Unique product functionality | | Cost of ownership |
| | | Quality of support |
| Meeting these values is essential to obtaining initial market penetration | | Meeting these values is essential to achieving a lasting market presence |

Initial Market Strategies

- **Target a single segment customer**
- **Have a compelling reason to buy**
- **Develop a whole product**
- **Have partners and allies**
- **Do scenario analysis of competitive response**
- **Positioning strategy – complements, price, etc.**
- **Target the next segment**

Some General Principles

- **Attack the competition**
 - **Don't lose a customer**
 - **Don't get "niched"**
- **Expand distribution faster than you can**
 - **Someone else will satisfy that customer**
- **"Ignore the customer"**
 - **Don't customize – ship a commodity**
 - **Ship as quickly and as cheaply as you can**