

# SOCIAL ENTERPRISE & INVESTMENT RESOURCES



## Trading Strategies Exercise (taken from NCVO Trading Guide)

1. Draw up a list of existing and potential products/ services and decide where each of the products/ services fits into the trading strategies matrix
2. Use the positions to decide where to start and what it might involve

	Products/ services	
	Existing products/ service	New products/ services
Existing Customers	<p><b>MARKET PENETRATION</b></p> <ul style="list-style-type: none"> <li>• Makes use of existing skills, resources and knowledge</li> <li>• Are there opportunities to charge for existing products/ services? E.g. sliding scale fees or moving from grant to contracts</li> <li>• Market research is needed to measure the share of the market and decide whether there is scope to increase sales</li> <li>• If there is not scope, consider market development</li> </ul>	<p><b>PRODUCT/ SERVICE DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• Develop new products services for existing customer base, which usually means acquiring new skills and resources to deliver that service</li> <li>• Need to understand needs of customers and design services that they want</li> </ul>

	<b>Existing products/ services</b>	<b>New products/ services</b>
<b>New customers</b>	<p><b>MARKET DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• Uses existing skills, resources and knowledge to search for new customers and/ or users</li> <li>• Could be used to bid for more or bigger contracts with the same type of customer/ user or in different regions</li> </ul>	<p><b>DIVERSIFICATION</b></p> <ul style="list-style-type: none"> <li>• Entering new markets, which usually requires new skills, knowledge and resources</li> </ul>