CASE STUDY: AVOID COST OF MARGINAL PRODUCTS

“Line of Sight Group and the team do great, fast work. They are reliable, thorough and very easy to work with. We threw a lot at the team these past six months and each deliverable met or exceeded our expectations.”

-Senior Vice President, Marketing and Product Development

Situation:

As part of its growth strategy, a national educational institution was evaluating a number of potential new course offerings at the Master’s and PhD levels in its school of health sciences. It had identified a specific opportunity that seemed promising but needed to verify their premise and better understand the size of the opportunity, demand trends from both the labor market and from potential students, and the opportunities for a differentiation strategy.

Solution:

Line of Sight designed an analysis to evaluate macro trends and gain insight from key industry leaders, human resources experts, career professionals and potential students. We also evaluated current offerings in the market including positioning, price and curricula to identify ‘white space’ opportunities. The findings of the analysis revealed a different picture than what had been imagined prior to the work. While market demand for the skills and role was increasing as expected, both hiring managers and professionals expected to receive the skills through different educational and work experiences (ie: strong substitutes). Moreover, the competitive analysis revealed that existing programs were struggling to fill enrollment because of lack of demand.

Benefit:

While the project champion was disappointed, she and the other senior committee leaders understood that the findings made for an easy decision to discontinue development efforts in this area. The Senior VP in charge of the committee stated, “We have many priorities, and this helps us focus in other areas”. Executives further estimated that the cost of developing a program and then having it fail would be “in the hundreds of thousands” when considering the cost of
staffing professors and assistants, course content, marketing, administration and other costs. Further, the committee estimated the ROI on the research project at “conservatively” in the area of between 10 and 20 to 1.