

**hoferundpartner**  research and consulting

**Our Focus:**  
**Product Portfolio Management**

**Project Examples**

**Portrait**

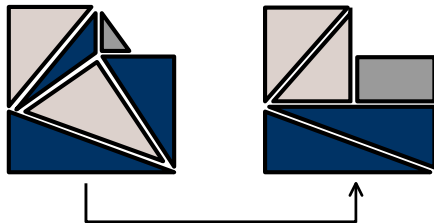
**Research and Publications**

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## Product Portfolio Management as Competitive Strategy

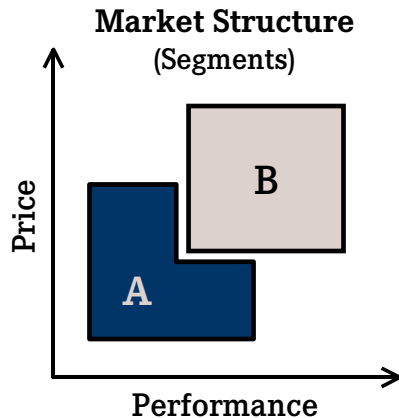
**hofer**undpartner focuses its activities on companies with complex products and product families. We are specialized in the analysis, design, and positioning of product portfolios. Our extensive experience lies in designing and optimizing the product line logic regarding market structures and company specific criteria. This enables us to support our clients in realizing competitive advantages in a dynamic market.

### The focused Management of Product Portfolios creates sustainable Competitive Advantage



Successful companies bridge the gap between the requirements of the high end and the volume market. Many companies on the other hand concentrate their activities on a market niche and are consequently losing market share. This is where the management of product portfolios sets in and makes competitive potential accessible.

## The Market Structure is the Basis for an effective Product Portfolio



The core of a company's business lies in the alignment of its product portfolio to market demands, and in its capability to serve these demands in an efficient way. The management of the trade-offs between effective differentiation and efficient realization constitutes a decisive competitive factor.

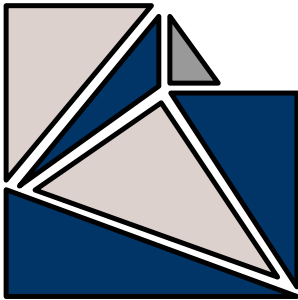
Reality often looks different: A historically grown product portfolio, high product variety, overlapping functionality and applications. Consequently, many companies find themselves in a typical "stuck in the middle" situation. They offer a product portfolio, which is not differentiated enough for the high-end-market, and too expensive for the volume market.

## An effective Positioning needs the Coordination of Market Structure and Product Portfolio

The main goal of product portfolio management is the improved control and management of these trade-offs between differentiation and efficiency.

## The Product Architecture determines the Product Portfolio Design

### Product Architecture (Elements, Interfaces)



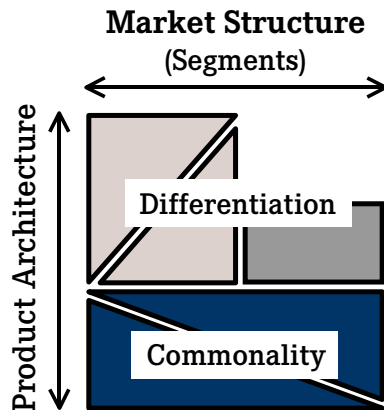
A product portfolio is based on a company specific product and process architecture. High product variety leads to a disproportionate increase of complexity and induces various process inefficiencies, lower flexibility, and higher cost. This explains the necessity for the efficient realization of product portfolios.

Our approach deals with the *design*, *realization* and *management* of product portfolios, i.e. the decisions, which products, product families and platforms are employed to answer the identified market demands. The fundamental element for this is the *architecture* of these products and the underlying processes.

### The Product Architecture is a Key Element for the efficient Realization of a Product Portfolio

The product architecture has to match the product portfolio and the value chain (processes). This can be realized through the modularization of the product architecture and the standardization of selected elements and interfaces.

## Realizing Potentials through Product Families and Platforms



Managing the trade-offs between effective positioning and efficient use of resources is highly dependent on the design of product portfolios considering market structures and product architectures.

Essential aspect is the balance of commonality potential and differentiation needs. This can be done by building product families based on a common (physical, functional or technological) platform.

The resulting product portfolio offers an effective segment specific differentiation, increased innovation speed (lower time to market) and high flexibility and efficiency in adapting the product range to changing market demands within limited resources (cost and time).

### Flexibility in the Design of Product Portfolios leads to sustainable Competitive Advantage

We invite you to take advantage of the potential of an effective product portfolio management.

## Project Examples

### Product Range

Market Demands

Complexity

Cost

Processes Variety

Modularization

Market Segments

### Product Platforms

Product Architecture

#### **Pilot Study Product Portfolio Management:**

Basic assessment of product/market strategy, product range (variety), product architecture, and value chain processes, identification of improvement potential.

#### **Variety Analysis:**

Analysis of product and component variety, mapping of functional attributes to elements of the product architecture, identification of savings potential.

#### **New Positioning of Product/Market Strategy:**

Analysis of market structures and demand clusters, definition of measures for structuring product ranges, design of product families and production segmentation.

#### **Product Family and Platform Concept:**

Analysis of market structures, product architectures and process organization, modularization of products, design and realization of product families based on a common platform.

#### **Complexity Cost Analysis:**

Analysis of product calculation and cost structures (process organization), design and realization of a resource based cost calculation.

## Adrian P. Hofer

Dr. oec. HSG, dipl. Ing. ETH



**hoferundpartner**

**Product Portfolio  
Management**

Adrian P. Hofer is responsible for **hoferundpartner's** consulting and research activities in the field of product portfolio management. He has gained experience in over 25 industry projects in medium to large sized internationally operating companies on product family design, market segmentation, modularization, product platforms, process redesign, cost calculation and cost management.

Adrian P. Hofer specialized on the topic of product family design since he graduated from the Swiss Federal Institute of Technology (ETH) in 1997. In 2001 he earned a doctorate from the University of St. Gallen (HSG) with a thesis on "Management of Product Families: Competitive Advantage through Platforms". He began his professional career parallel to his thesis as a consultant in the field of variety management, product/market strategy and product architecture.

## Research and Publications



Active *research* is a prerequisite for competitive *consulting*. The development of new methods and trends and their use in an early phase enables us to be in a leading position with state-of-the-art concepts.

We gladly provide you with a selection of our publications and contributions to international conferences:

Hofer, Adrian P., Management von Produktfamilien: Wettbewerbsvorteile durch Plattformen, Gabler Edition Wissenschaft, 2001

Halman, J.I.M., Hofer, A.P., van Vuuren, W., Platform driven Development of Product Families: Linking Theory with Practice, Journal of Product Innovation Management, Special Issue on New Product Development Strategy, Vol. 20, Nr. 2, March 2003, pp. 149-162

A joint research project in cooperation with the Technical University Eindhoven to develop a model for valuation and decision making support for investment in product platforms keeps us in a leading position for tomorrow's consulting.

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