



## **Case Study**

Client: An integrated electric utility company

### **Background**

The client wished to determine if diversification into building products, specifically aerated concrete block was a viable opportunity. Aerated concrete block is made extensively in Europe and is now making inroads in North America. The product is lightweight and energy and environmentally attractive as well as easy to use as a construction component. The manufacturing process would utilize the utility's flyash byproduct as a key ingredient.

### **Assessing and Validating Market Opportunity**

Marketplan conducted a large scale research effort among commercial and residential building developers regarding their experiences, knowledge and reaction to this concept. Additional interviews were conducted with leading aerated suppliers that have established US operations.

### **Recommendations**

After developing a performance statement of required investment in capital equipment, marketing investment needed to conduct missionary efforts to educate the market regarding applications, plus assessment of required geographic coverage, the project was deemed a marginal investment at best and a limited justifiable market opportunity.

### **Actions and Results**

The client heeded this assessment and abandoned the project.