

Case Study: Morgan Advanced Materials



Evaluating Revenue Growth Opportunities

Milner Strategic Marketing modelled the global demand for ceramic-based fibre products used in thermal insulation and passive fire protection applications. A bespoke market forecast was designed for Morgan Advanced Materials, and detailed 3 materials and 8 product forms across 10 industry sectors in 30 countries. The model provided 5 years of historic data and 5 years of forecasts which gave Morgan a granular picture of the global market opportunity.

Milner worked collaboratively with Morgan on the project, gaining buy-in from stakeholders across the business. This meant that the Morgan team thoroughly understood the methodology and could trust the market size and forecast.

The detailed insights that the model provides are used for strategy planning at all levels of the business, from country/regional managers and sector experts to the Executive Management Team.

About Morgan Advanced Materials

Morgan Advanced Materials plc is an advanced materials technology company that provides highly engineered solutions to its chosen markets. It designs and manufactures a wide range of high specification products with extraordinary properties, across multiple sectors and geographies.

Morgan Advanced Materials has more than 9,000 employees across 50 countries serving specialist markets in the energy, transport, healthcare, electronics, security and defence, petrochemical and industrial sectors. Morgan Advanced Materials (MGAM) is listed on the London Stock Exchange in the engineering sector.

Morgan Advanced Materials' Requirement

Morgan wanted to identify new revenue opportunities to grow their business. Although Morgan had its own internal tools for identifying opportunities, there were 'known unknowns' in the market that it wanted to understand and exploit.

Off-the-shelf reports did not provide the detailed breakdown of country, sector, material type and product form that was needed to precisely identify the opportunity. Morgan wanted a bespoke market forecast model that combined independent, data-driven forecasts with the extensive market intelligence that already resided with its in-house product, country and regional experts.

This in-depth quantitative information would be used to underpin strategic planning and budget reviews, ensuring that sales targets were realistic and addressed the full market opportunity.



Milner's Solution

Secondary research

Demand for Morgan's ceramic-based fibre insulation products is driven by the trends and changes in the underlying B2B customer sectors. Milner developed a proprietary methodology where key demand indicators called 'anchor metrics' were used to size each sector and track the trends within it. Milner leveraged Morgan's expertise to select the 19 anchor metrics that were best correlated with underlying fibre demand. Data was then gathered for each anchor metric, for each country, for each year from 2010-2019 (totalling 5,700 data points). The anchor metric forecasts were made up of a combination of Milner's own forecasts and those produced by trusted external parties. The anchor metric data on each sector was scaled up to the volume of ceramic fibre by year using a 'fibre multiplier'. Market value was forecast using price data.

Primary research

Milner worked closely with 11 sector experts from across Morgan to derive the fibre multiplier. This involved flexible thinking to come up with alternative approaches where there was an indirect relationship between inputs and outputs, or where relevant data was unavailable.

After the model was constructed, Milner consulted 29 country/regional managers to ensure that the findings were market-reflective from a territorial perspective. In-depth discussions ensured that the methodology and forecasts were tested and bought into across the business.

Global forecast model

The Excel-based model contained 100 sheets and 1.3m cells, providing a detailed analysis and forecast of the market opportunity in volume and value, broken down by country, sector, material and product. Milner's open approach meant all stakeholders could see exactly how the results were calculated, and could refresh the model as new information became available.



Morgan's Benefits

1. Foundation for revenue growth

Having an accurate understanding of the market opportunity gave Morgan the information needed to set its growth strategy. The granular nature of the model meant revenue opportunities in specific sectors, within specific countries, could be pinpointed and targeted.

2. Company alignment and buy-in

Milner collaborated with experts across Morgan and fed their data and insights into the model, gaining buy-in to the methodology and forecast. Having 'One Truth' about the market opportunity within the company means internal meetings can focus on how to succeed in the market, rather than discussing different views on the market size.

3. Best experts not best efforts

Morgan had recognised the value of understanding the market and had carried out some region-specific work internally. However, this did not provide a unified approach across the business and the results had not been tested. By applying its proven methodology, Milner provided a rigorous approach to modelling and forecasting the market. As a specialist, Milner is used to resolving the complexity and challenges of conflicting data and complex markets.

4. Data in the right format

The model exactly mirrors the organisational structure within Morgan and focuses on the sectors that it is targeting. This makes the model simple to use for sales analysis and forward planning. The model contains the precise mix of products that is relevant to Morgan and forecasts to a level of detail that is not available elsewhere.

5. Continuous improvement

Morgan has full access to the model, and can see how the methodology is applied to derive the results from the inputs. This means it can update the model as new data is released, ensuring that organisational decisions are made based on numbers that are accurate and up-to-date.

"As a FTSE 250 company with significant growth ambitions, we brought Milner in to help us size the global market opportunity for one of our most important product ranges. Milner worked with us to build a detailed five year forecast of market dynamics across 30 countries/ regions, 10 sectors, 3 materials and 8 product forms. This market information wasn't publicly available in a format which exactly met our requirements and internal reporting structure. The Excel-based market model was underpinned by clear assumptions and a proven methodology. The team from Milner engaged with a wide range of experts and leaders within Morgan to ensure that findings were realistic and bought into by the business. The final report provided valuable insights with sector and regional splits, which will help our strategic decision-making. I would recommend this approach and Milner to others looking to identify growth opportunities."

Duncan Emery

Director, Thermal Products

Morgan Advanced Materials plc