

2. THE DOMINANCE DIAMOND

As mentioned in the value-peak examples, the Dominance Diamond is a way of visualising and articulating your market position after sufficient hyperreplication or upon reaching a certain scale within the market. If you are leading hypertransformation based on full BCSA, the Dominance Diamond serves as a mechanism for locking down and consolidating your position, making it the one of the models with the strongest impact on your business's valuation. A bulletproof Dominance Diamond is virtually unassailable in the eyes of potential buyers and, if executed correctly, will also pave the way for highly attractive consolidation of non-BCSA competitors as they are squeezed out of the market.

Essentially, the Dominance Diamond model is about establishing specific KPIs that focus on the variables which transform your BCSA position into true market dominance. You could argue that this represents the next level once you have attained clear leadership based on BCSA. It is also the model that determines the proxies used in identifying ultimate value peaks. The Dominance Diamond is an excellent tool for creating alignment at board level, as it clearly articulates the key performance KPIs towards which the company is working and investing.

'The Dominance Diamond is about specific KPIs that . . . transform your BCSA position into true market dominance'.

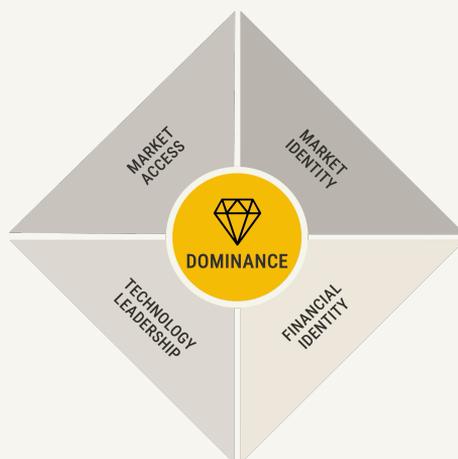
The Dominance Diamond is a strategy tool that shows a company's market strength through four areas:

- Technology leadership
- Financial identity
- Market access
- Market identity

It uses targeted KPIs in each category to demonstrate and reinforce a company's dominance in its industry, supporting a compelling equity story and guiding strategic decisions.

It enables companies to clearly articulate and defend their dominant market position, which is crucial for value extraction, deterring competition and increasing barriers to entry. The tool provides a structured approach to highlight strengths, validate leadership and support premium valuations during fundraising or exit scenarios. It also helps identify vulnerabilities and areas for improvement, ensuring the company remains competitive and attractive to investors.

THE DOMINANCE DIAMOND



- Technology leadership** Showing dominance through technology and strategic patents, number of accounts, technology leadership in the industry, standardisation etc.
- Financial identity** Dominating via financial indicators and validators such as GP; churn; sales; revenue growth; and, especially, the unique CTM indicators BTM growth trajectories, conversion ratios and GP/CoE
- Market access** Locking down market access, securing scarce fulfilment services, materials, partners, exclusive partnerships; KPIs include the percentage of resellers, integrators, global presence, etc., that are loyal to you; the market access category is one of the most critical areas, as this is where you can fence off and essentially remove others' access to the market
- Market identity** Building identity KPIs and showing the market that you are the dominant player and foster that idea in the market and let it take hold; maybe your company has made the first or the largest installation somewhere in the industry; the KPI is all factors that validate the signal that you are the dominant player (in the case of Spirii, winning the largest fleet, logistics and retail customers just prior to exiting was a strong identity validation); initiating standardisation initiatives around your technology through the setup of industrial forums as well as public strategic partnerships with adjacent technology corporates

KEY PERFORMANCE INDICATORS FOR THE DOMINANCE DIAMOND

Technology leadership	Focus on KPIs that illustrate technological dominance, such as the number of patents held, the number of accounts managed and overall leadership in technology.	<ul style="list-style-type: none">• Number of patents• Number of accounts• Market share• Technology standardisation
Financial identity	Use financial indicators that validate market dominance, including unique CTM indicators such as BTM growth trajectories, conversion ratios and GP/CoE.	<ul style="list-style-type: none">• Gross profit (GP)• Churn rate• Sales• Revenue growth• BTM growth trajectories• Conversion ratios• GP/CoE (GP/cost of execution)
Market access	Demonstrate how market-access drivers are locked down, scarce or available. This category is critical for showcasing market control, such as the number of resellers or integrators committed to your offering.	<ul style="list-style-type: none">• Number or percentage of resellers• Number or percentage of integrators• Global presence• Locked-in or fenced-off partners
Market identity	Show the market that you are the dominant player by highlighting strong associations with major customers, strategic partnerships and significant industry milestones.	<ul style="list-style-type: none">• Degree of association with the ten largest corporate customers• Strength of strategic partnerships in the value chain• First or largest installation in the industry

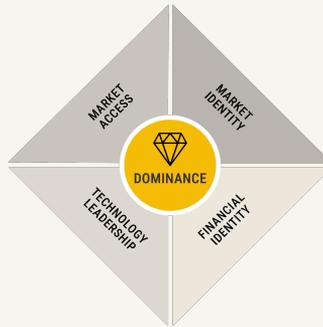
CHANGING THE MATH

Overall, the Dominance Diamond tool has two purposes:

1. It allows you to efficiently utilise your BCSA offering to create a dominance positioning that can be used to do the following:
 - Value extract on your positioning (you could increase GP)
 - Squeeze or eradicate competition
 - Extend/go down the value chain (Amazon is the perfect example)
 - Increase barriers of entry for potential new BCSA technologies by locking down A to your business
3. It is a perfect KPI tool to define critical cycles and phases, leading to value peaks if you are a company that is considering an exit, fundraising or consolidation acquisitions. The KPIs in the Dominance Diamond are your equity story KPIs. Overall, all companies in the world can use the Dominance Diamond, but it makes much more sense and has more power when used in a market that is experiencing hypertransformation.

The Dominance Diamond is both an advanced yet simple KPI management structure and the perfect tool for building and communicating credible equity stories and setting long- and short-term performance KPIs at board and management level. It does not matter how many KPIs your Dominance Diamond is made up of, as long as they all defend or contribute to the signal that you are trying to send. It is all about arguing for the equity story that you have tied to your exit value peak. The KPIs can be many different things, for example, EBITDA-margin, revenue per full-time employee or gross profit per full-time employee. Once you have a sufficient number of these in place, the Dominance Diamond can make sure you ring-fence a dominant BCSA position.

BUILD YOUR OWN DOMINANCE DIAMOND



Have you defined what makes your company dominant in the market?

Start by identifying where your company has established a clear edge. What unique features of your product or service have allowed you to claim a leading position? Think about technology, financial performance, market access or your brand's identity.

Which KPIs best illustrate your dominance in technology?

Are you leading through innovation, patents or technical partnerships? Consider how you might measure leadership here. What signals to others that you are ahead?

Are your financial KPIs strong enough to validate your dominance?

Look at your company's financial performance, focusing on metrics such as gross profit, churn rates and sales growth. Are these KPIs showing that your company is outpacing competitors, especially in high-stakes areas like fundraising or exit scenarios?

Have you locked down market access?

Do you have key resellers, integrators or strategic partnerships that prevent competitors from gaining ground? How can you show that these relationships are driving growth and securing market presence?

How is your identity tied to industry leadership?

Are you recognised as the leader in your space? Is your brand associated with top-tier customers, the largest installations or strategic partnerships? How can you strengthen this association?

What vulnerabilities exist in your current position?

Have you mapped out potential threats? How will you counteract competition trying to enter the market?

AVOID THE VALLEY OF DEATH WITH CAPITAL-EFFICIENCY AWARENESS

When you have established yourself as BCSA or are generally operating as a strong asset within hardtech and hypertransformation, it is crucial to remain acutely aware of capital efficiency at the company level and to avoid falling into the so-called hardtech valley of death. This chapter has equipped you with two essential tools:

1. On the one hand, it has introduced the structural logic of Value Peaking, which is fundamentally a strategy-framing tool. This enables you to visualise and create sequential cycles of value plateaus and peaks. The logic and power of this structure serve to minimise your risk of ending up in the Valley of Death, which can lead to defensive positioning, resulting in either demise or dilution. Value Peaking empowers you to articulate value peaks that can be converted into attractive capitalisation events or exit routes.
2. On the other hand, the chapter has introduced a straightforward communication platform that allows you to articulate both your current identity and the equity story of your company. **The Dominance Diamond** can be used as a KPI infrastructure for leveraging your BCSA position for maximum value extraction, demonstrating how you are converting your BCSA position into a truly dominant one.

As the examples of Spirii, DyeMansion and Wiferion have demonstrated, both the Value Peaking Model and the Dominance Diamond tool are effective ways of structuring a road map to capitalisation and to secure the highest possible value through sheer market dominance. Achieving and maintaining dominance at each of the identified peaks represents the highest value in any capitalisation scenario, and it is extremely difficult to challenge when faced with equity-story questions or discussions.

Capital efficiency is an important part of the equity story and is a key KPI that certain types of buyers will consider when evaluating an acquisition. It is also important to note that the logic of capitalisation is not limited to hardtech, greentech or related industries; it applies across all industries and most business models. The underlying principles remain the same, and strategic value is realised when using value peaks and the positioning and crystallisation of a future position to secure buyers, strategic multiples and other attractive events.

‘Secure the highest possible value through sheer market dominance’.

VALUE PEAKING AND THE DOMINANCE DIAMOND AS STRATEGIC CONTROL TOOLS

The principles outlined in this chapter are intended to be applied systematically. Value peaks do not emerge by coincidence; they are the result of deliberate sequencing and continuous validation through clearly defined hypotheses and proxies. Without an understanding of where the next value peak lies, boards and management teams risk focusing on a certain activity or goal, rather than aligning all areas of the business, towards a real value-inflection point.

As markets evolve and competitive dynamics shift, your value peaks must be revisited and, when necessary, redefined. This requires regular reassessments of both the industry environment and the company’s position within it. Earlier we illustrated which KPIs and proof points that can support a coherent equity story. These indicators are not only external signals for investors or buyers but also internal tools for strategic decision-making and harsh prioritisation.

CHANGING THE MATH

Growth must be understood as cyclical. Each value peak is followed by a valley that requires investment to push through or increases cost. In a valley, risk is higher because your position is weakened and optionality narrows. Diligent planning for these valleys is essential to make it all the way through, especially if your business is not cash-flow positive. Companies that fail to prepare sufficiently often lose momentum before reaching the next inflection point, ending up raising money from a defensive situation. Even if you have all the capital in the world or are cash-flow positive, the structural logic and tight strategic alignment that value peaks provide is valuable to mitigate turbulence and provide clarity.

Claims of market dominance must be substantiated across technology leadership, financial performance, market access and market identity. Tracking and articulating these KPIs provides management with a structured way to show dominance and expose weaknesses in others. The Dominance Diamond is used to communicate the equity story clearly in the absence of a new value peak, align board and management priorities, and continuously test the robustness of the company's position.

If you have achieved BCSA, a dominant position can be leveraged to raise barriers to entry, deter competitors, extend influence across the value chain and release higher value.

POINTS TO CONSIDER

- Have you clearly identified your most significant value peaks and the key milestones or proxies that validate them?
- Are your fundraising and exit plans aligned with value peaks to ensure optimal capital efficiency and minimal dilution?
- Do you regularly reassess your industry landscape and your company's position to spot new value peaks or the need to pivot?
- Are you using relevant KPIs and proof points to build a compelling equity story for investors or buyers?
- Have you planned for the cyclical nature of growth, ensuring you have the resources to navigate valleys between peaks?
- Are you tracking KPIs across technology leadership, financial performance, market access and market identity to support your claim to market dominance?
- Is your Dominance Diamond used to communicate your equity story and align your board and management around what matters most?
- Do you regularly review and address vulnerabilities in your dominant position, and have you mapped out strategies to defend against new threats?