



November 16th, 2023

Strategy and Marketing within a Global B2B Industrial Company **'The ITT Case'**

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Director, Strategy and Business Development
ITT Connect and Control Technologies

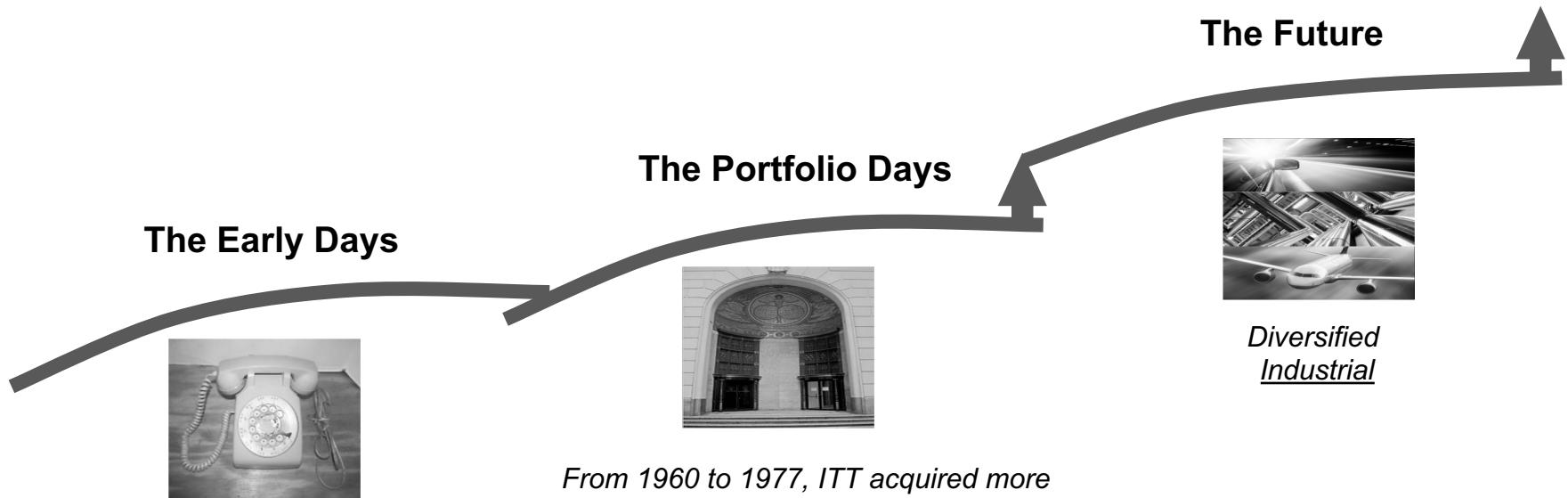


ENGINEERED FOR LIFE

103 Years of History

Founded in 1920, ITT begins life as International Telephone & Telegraph before transforming into today's global diversified industrial technology player

[ITT History](#)



The original ITT was created by two brothers who set out to build the first worldwide system of interconnected telephone lines

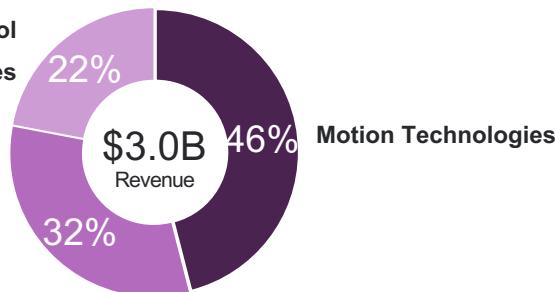
From 1960 to 1977, ITT acquired more than 350 companies including Sheraton hotels, Avis Rent-a-Car, Hartford Insurance and Continental Baking, the maker of Wonder Bread

ITT at a Glance

ITT is a diversified leading manufacturer of highly engineered critical components and customized technology solutions for the transportation, industrial, and energy markets

Key Facts

Connect & Control Technologies



Industrial Process

~ 10,000
Employees

1,250+
Engineers

30+
Global Brands

1,500+
Active Patents

49
Manufacturing Locations

~ \$200M
Annual R&D and Capital Investments

Global Presence / Main Locations

NYSE: ITT

North America

Stamford, CT
(Corporate HQ)
Valencia, CA
Irvine, CA
Seneca Falls, NY

Europe

Barge, Italy
Weinstadt,
Germany

Asia Pacific

Shanghai, China
Shenzhen, China



Operations in 35 Countries

ITT's Leading Brands

MOTION
TECHNOLOGIES

GALT.

KONI

AXTONE



INDUSTRIAL
PROCESS

GOULDS PUMPS

Bornemann

HABONIM
Industrial Valves & Actuators



CONNECT & CONTROL
TECHNOLOGIES

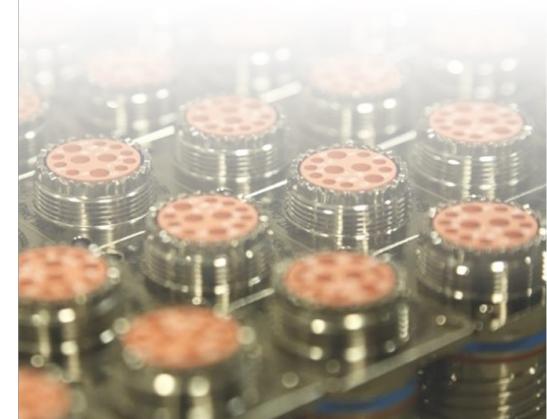
cannon

ENIDINE

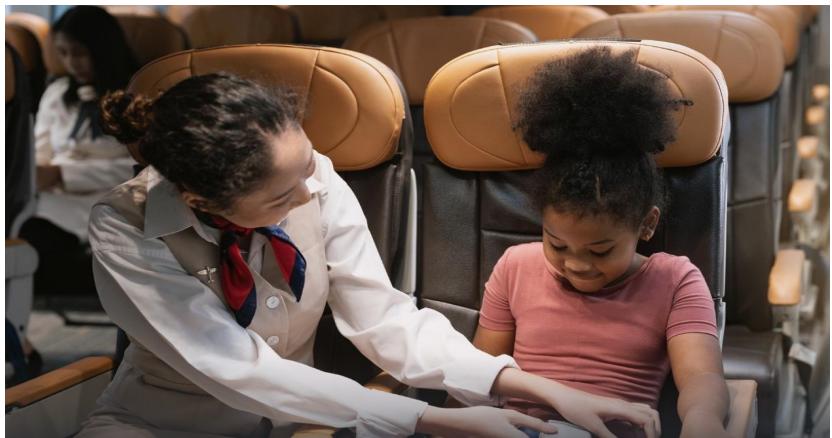
veam



Micro-Mode



Products that Touch Everyday Life



Discovering ITT Connectors (VIDEO)



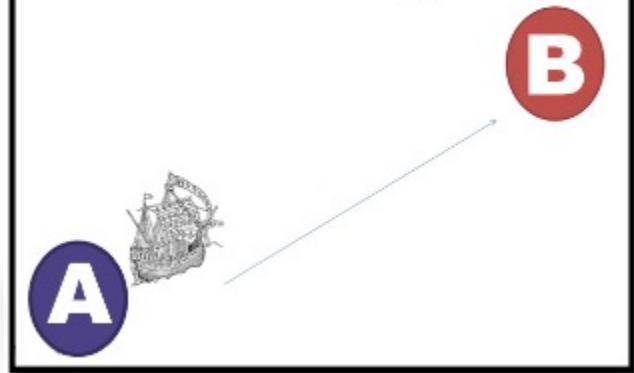
Strategy @ ITT

“Nobody really knows
what strategy is.”

The Economist



What is Strategy



PLAYING TO “WIN”

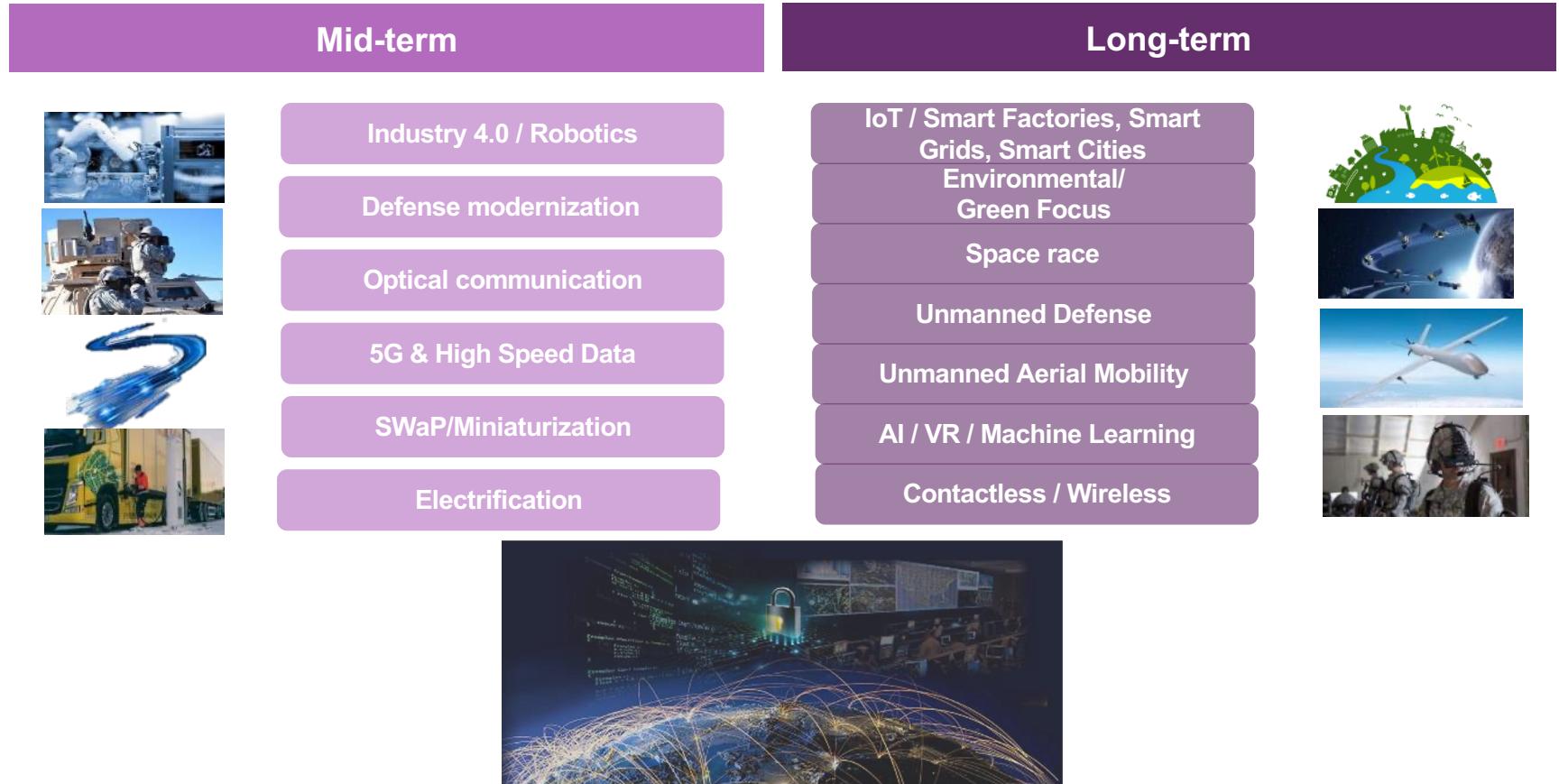
“WIN” = outperform market and competition



Key Elements of a Strategic Plan at ITT

- 1. Winning Aspiration & Mission**
- 2. Strategic Pillars/Priorities**
- 3. Trends and Dynamics (Macro, Micro, Technology, etc.)**
- 4. Market Overview (Market Size, Growth, Market Share)**
- 5. Competitive Position**
- 6. Growth Initiatives**
 - **Go-to-Market**
 - **Core Markets**
 - **Regional Expansion**
 - **Adjacent/New Markets**
- 7. Operational Excellence Initiatives**
- 8. Innovation Projects**
- 9. People Priorities**
- 10. Inorganic Strategy (Mergers & Acquisitions)**
- 11. Financial Projections**

3.1 Industry and Technology Trends



3.2 Trends and Implications (Transportation)

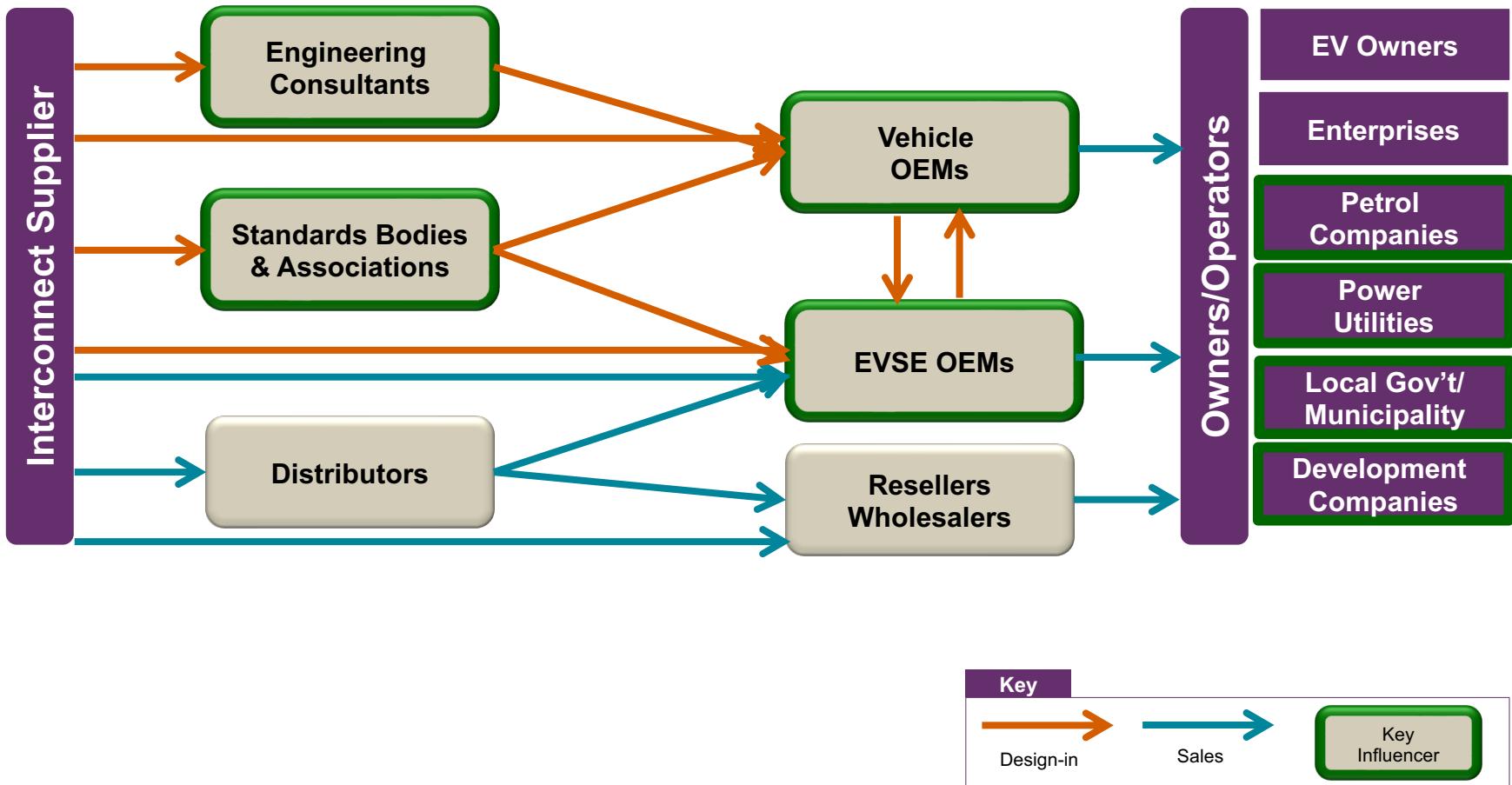
| | Is Important for ITT? | ITT Readiness | | | Comments | |
|--|-----------------------|---|------|-------------------------------------|---|-------------------------------------|
| | | NA | EMEA | APAC | | |
| Construction and Freight | ✓ | ○ | ○ | ○ | <ul style="list-style-type: none"> Infrastructure modernization and global construction Freight driving heavy vehicles | |
| EV Charging Infrastructure build-up | ✓ | | | | <ul style="list-style-type: none"> Sustained growth supported by subsidies Multiple use cases (home/workplace, destination/public, fleet) driving AC and DC | |
| Heavy Vehicle Electrification | ✓ | | | | <ul style="list-style-type: none"> 30%/y new commercial vehicles electric by 2030 | |
| Higher-Power EV Charging | ✓ | | | | <ul style="list-style-type: none"> Speed of charging in public places critical for EV adoption | |
| Connected Vehicles | ✓? | | | | <ul style="list-style-type: none"> Increase in intelligent and communication systems on-board, more wiring needed | |
| Megawatt Charging Systems | ✓ | | | | <ul style="list-style-type: none"> New industry standard for Commercial Vehicles Will likely extend to Aerospace and Marine | |
| Autonomous Vehicles | ✓? | | | | <ul style="list-style-type: none"> Networks of sensors will require high-speed interconnect (e.g. Single Pair Ethernet) | |
|  Short-Term Trend  Mid-Term Trend  Long-Term Trend | |  Important Trend  Need to collect more information | | No Product/ No Customer Intimacy |      | Product Ready/ Customer Intimacy |

5. Competitive Position (at Market Level)

| Competitor | Cost Position | Customer Experience | Portfolio Coverage | Footprint Coverage | Technology/Innovation | Quality | Comments |
|------------|---------------|---------------------|--------------------|--------------------|-----------------------|---------|---|
| | ● | ○ | ● | ● | ● | ○ | |
| | ● | ○ | ● | ● | ● | ● | |
| | ● | ○ | ● | ○ | ● | ● | |
| | ○ | ● | ● | ○ | ● | ○ | |
| | ○ | ● | ● | ● | ● | ● | |
| | ● | ● | ● | ● | ● | ● | |
| | ● | ○ | ● | ● | ● | ● | |
| | ● | ● | ● | ● | ● | ● | |
| | ● | ○ | ● | ● | ● | ● | |
| | ● | ● | ● | ● | ● | ● | |
| | ● | ● | ● | ● | ● | ● | |
| ITT | | | | | | | <ul style="list-style-type: none"> ● ITT Advantaged ○ ITT Parity ● ITT Disadvantaged |

6. Channels To Market

Example: Electric Vehicle Charging Infrastructure



Why We Like Distribution?

1. Regional Coverage

- Markets and applications
- Countries and territories

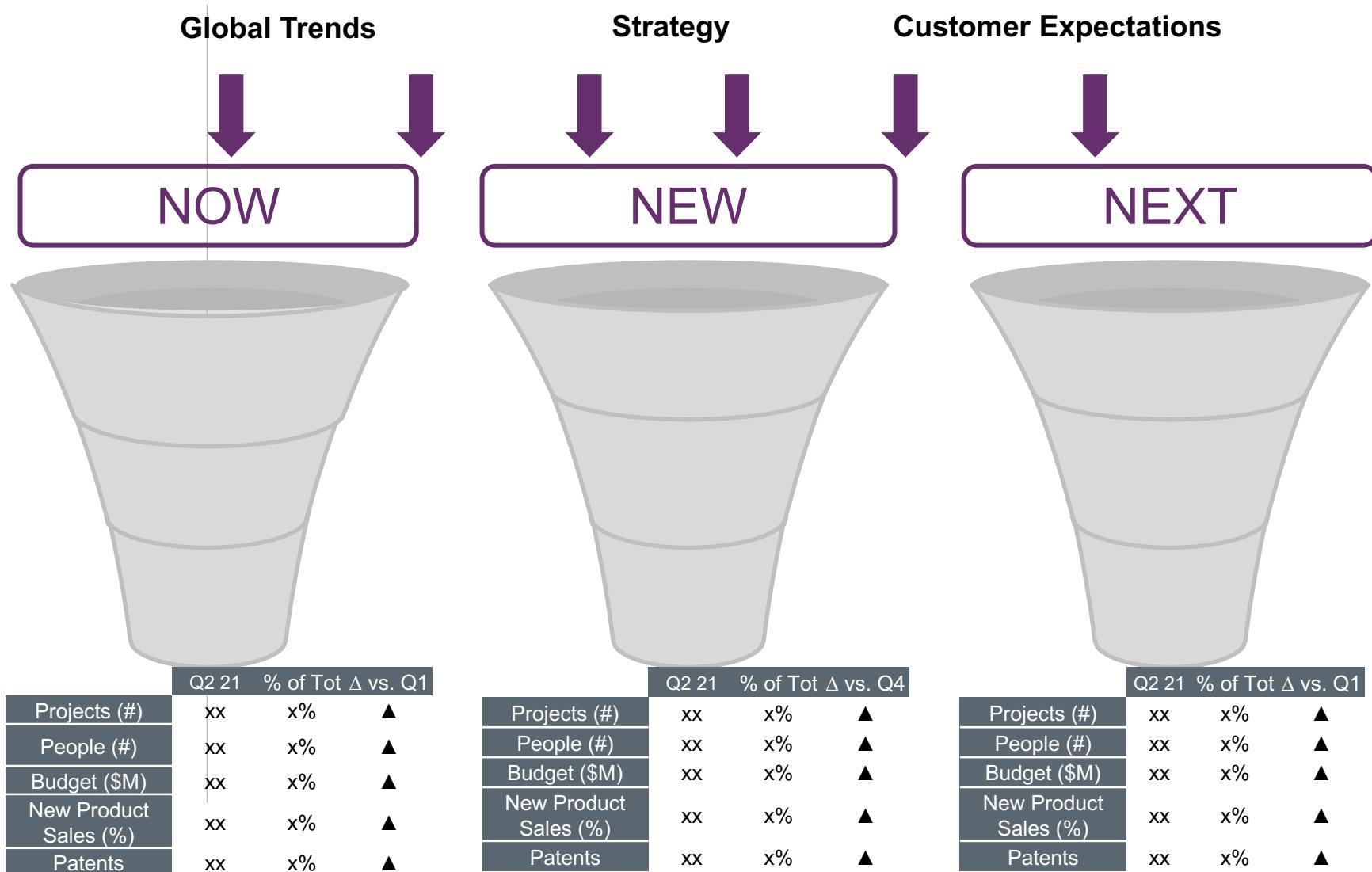
2. Customer Reach

- Path to smaller customers
- Large customers procurement shift

3. Resource Leverage

- Local sales and technical support
- Business terms and inventory
- Value-add services
- Marketing promotions

8. Innovation Funnel



Innovation Framework @ ITT



Now

Current product and process modifications

(Major and Minor Modifications)



New

New product and process innovations

(New to the Company)



Next

New technologies and business models

(New to the World)

Secure our business

Sustain and grow our business

Transform our business

8. New Product and Technology Roadmap

| Strategic Actions | 2021 | 2022 | 2023 | 2024 | |
|---|-------------------|--------|------|------|------|
| Product Family | | | | | |
| ▪ A | AAAA | | | | |
| ▪ B | | BBBB | | | |
| ▪ C | CCCC | | | | |
| ▪ D | DDDD | | | | |
| ▪ E | | EEEE | | | |
| Product Family | | | | | |
| ▪ Z | ZZZZ | | | | |
| ▪ z | | zzzzz | | | |
| Technologies and Capabilities | | | | | |
| ▪ 1 | 111111 | | | | |
| ▪ 2 | | 222222 | | | |
| ▪ 3 | | 333333 | | | |
| 5-Year Objective | Investments (\$M) | 2021 | 2022 | 2023 | 2024 |
| 2021 Revenue: \$xxM | Revenue | | | | |
| Increase Sales to \$xxM (2024) With xx% CAGR | CAPEX | | | | |
| | OPEX | | | | |

Accelerate NEXT - ITT Ventures

Investing in External Startups

- | Launched in 2021 – three investments to date
- | Invest in early-stage, high-growth emerging or disruptive technologies
- | Invest in companies that could scale faster with access to our customers, channels, manufacturing capabilities and global presence
- | Invest in a wide variety of sectors, including those closely aligned with our businesses

RECENT ITT VENTURES INVESTMENTS



| Rugged optical components and subsystems for Aerospace and Defense

| Innovative hard coating technology for brake rotors

| Additive manufacturing for Aerospace and high-performance racing

Investing in Internal Startups



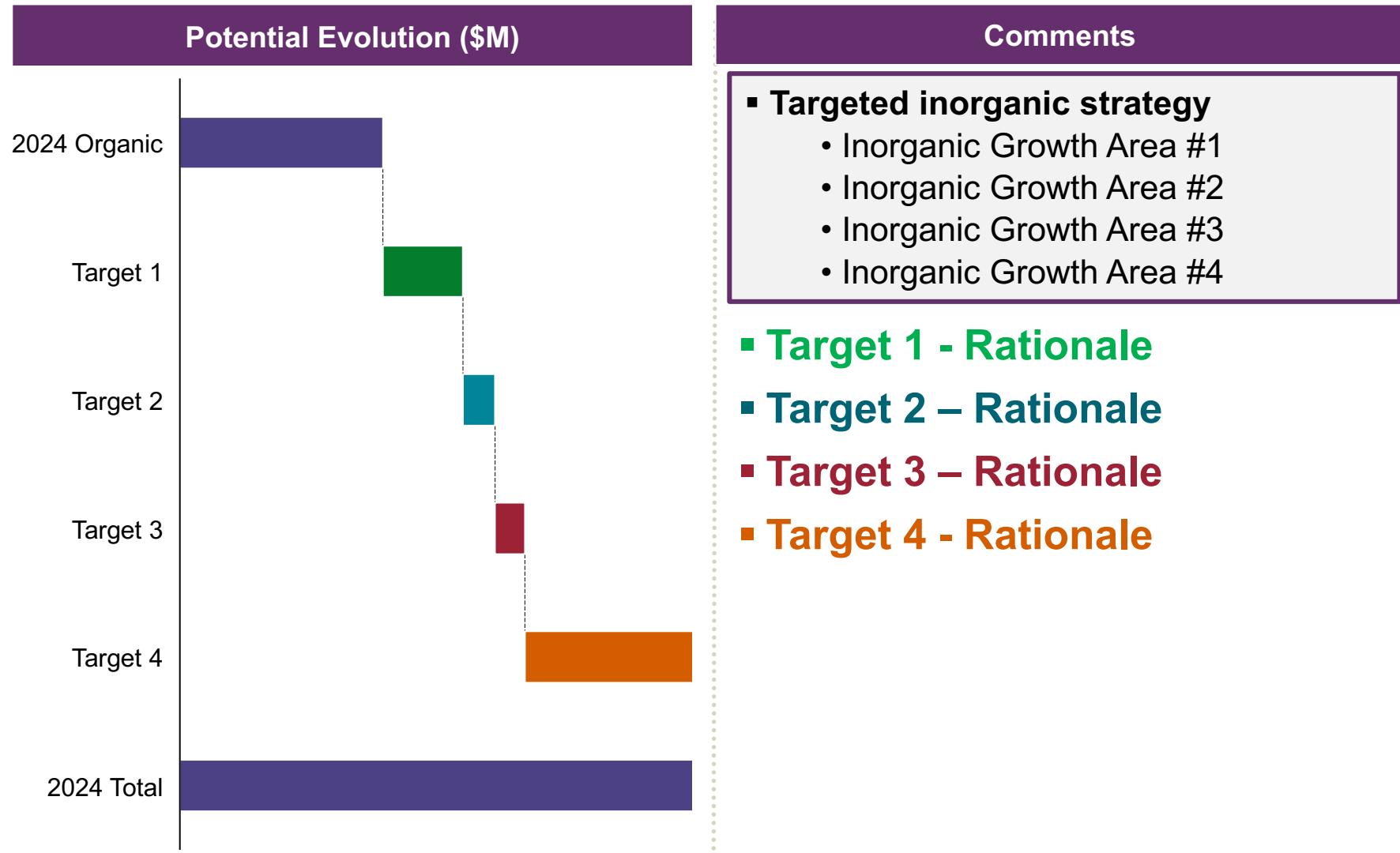
Digitalize brake pads to provide drivers with a new level of safety, performance, and awareness.



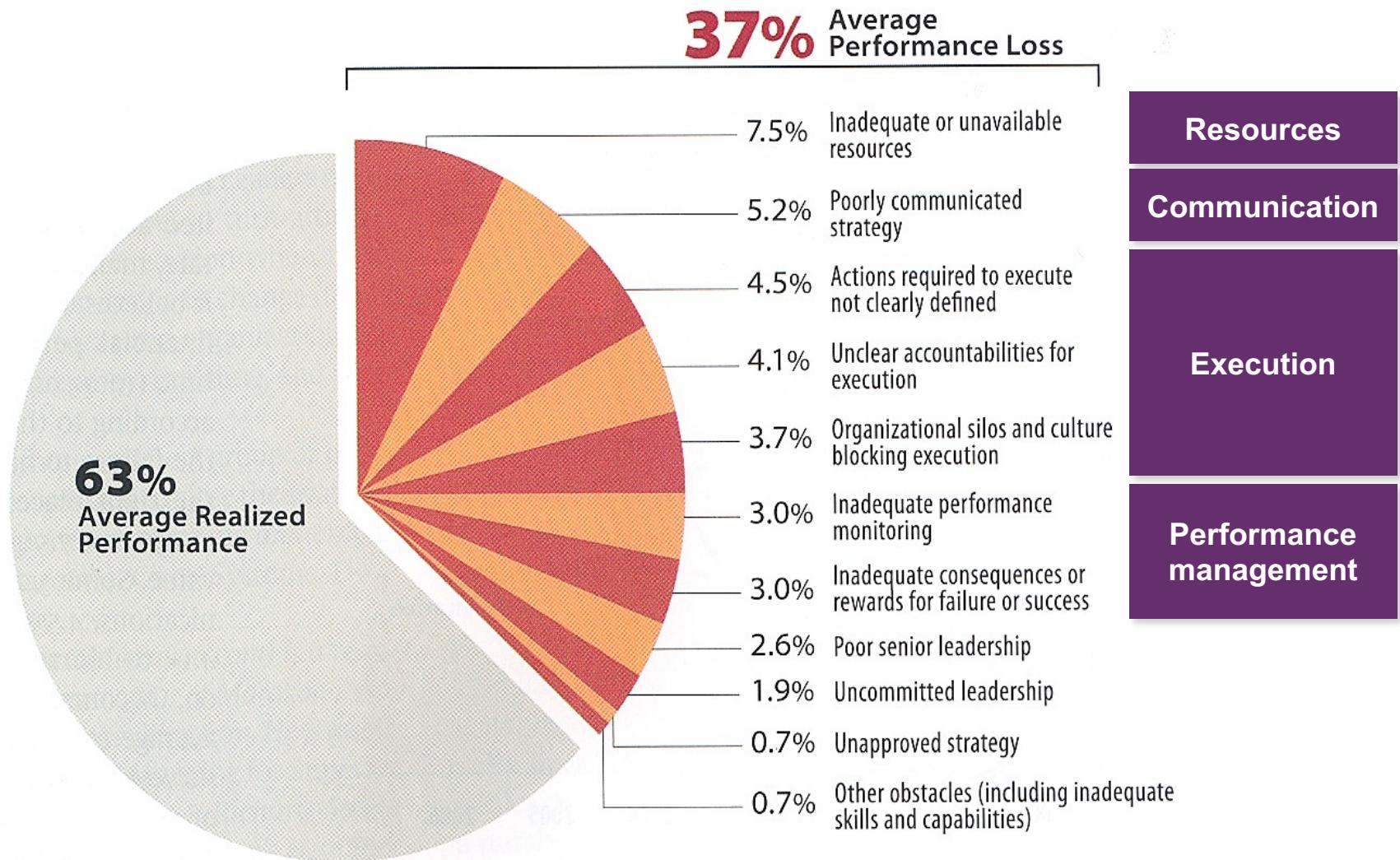
All-in-One wireless condition monitoring technology for industrial pumps.



10. M&A Roadmap



Strategy Performance Gap



Strategy Execution Tracking - Summary

| Region | Category | Initiative/Project | Strategic Objective(s) - with timeline | Key Achievements - with date | Overall level of project completion | Status vs Plan | Critical Issue(s) If STATUS = yellow or red | Resource/Support Needs If STATUS = yellow or red | Action Plan - Next Steps - with timeline |
|--------|----------------------------|--------------------------------------|--|------------------------------|-------------------------------------|----------------|--|---|--|
| NA | Innovation | Fiber Optic solution offering | | | ● | Green | | | |
| EMEA | Growth/Customer Centricity | Defense program growth | | | ● | Yellow | | | |
| APAC | Operational Excellence | Manufacturing and process automation | | | ● | Red | | | |



Strategy Execution Tracking – Example Key Customer Growth Plan

Opportunity

- Fiber optic assemblies
 - XXXX
- Require fiber optic assemblies D38999 termination M29504/04-4210
 - Work in parallel with L3/Harris in US to identify the other CM's in competition with Kitron.



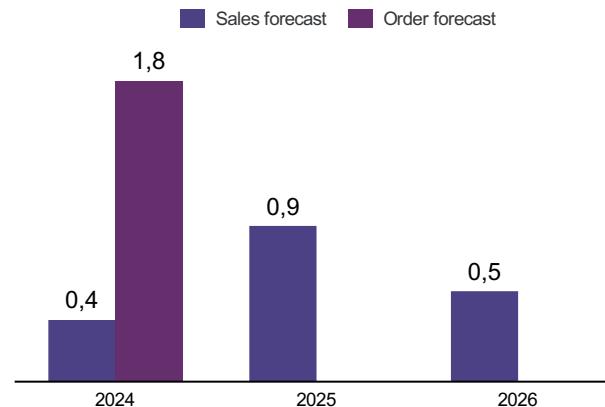
How We Win / Key Initiatives and Actions

| | Initiative | Timing |
|------------------------|------------|-----------|
| Products/ Technical | | Sept 2023 |
| Commercial | | Oct 2023 |
| Operations | | Mar 2024 |

Competitive Landscape and Key Success Factors

- Existing qualified suppliers
 - XXXX
- Critical activities to win share
 - XXXX

3-Year Growth Plan



Strategy Execution Tracking – Example New Product Development

| | | | |
|----------|----------|----------|----------|
| As Of | Aug 2023 | On Track | Slipping |
| Complete | | Past Due | |

| Owner | | Achim Raad | Team | | Achim Raad, Stefan Mayer, Richard Pijpers | | | | | | | | | | | | |
|--|-----------|------------|------|-------------------|---|---------------------------------|------|----|------|--|--|----|----|----|------|--|--|
| Milestone | Plan Date | | 1 | Kick-off | 2 | Project scoping / business case | | | | 3 | Decision & final project definition Gate 1 | | | | | | |
| Act / Fcst Date | | 2021 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | 2024 | | |
| Opportunity and Business Objectives | | | | | | | | | | Risks and Constraints | | | | | | | |
| <ul style="list-style-type: none"> Assessment of business case and technical spec for MGV expanded beam fibre optic solutions | | | | | | | | | | <ul style="list-style-type: none"> xxxx | | | | | | | |
| Expected Business Results | | | | Achieve & Actions | Status and Progress | | | | | Actions and Targets | | | | | | | |
| <ul style="list-style-type: none"> xxx | | | | | | | | | | | | | | | | | |
| Outcomes, Resources and Budget | | | | | | | | | | | | | | | | | |
| | | | 2023 | | 2024 | | 2025 | | 2026 | | | | | | | | |
| Sales (\$K) | | | | | | | | | | | | | | | | | |
| Capex (\$K) | | | | | | | | | | | | | | | | | |
| Expenses (\$K) | | | | | | | | | | | | | | | | | |

Strategy Communication

Dear CCT team,

We continue to live in unprecedented and challenging times. We are facing a global pandemic and experiencing the current pandemic's impact on our businesses and in the markets where we play.

As you know, across ITT we are building and securing our future through an unrelenting focus on our priorities:

- **Health of Our People**
- **Health of Our Business**
- **Health of Our Financials**

Messages

CCT Strategy > Strategy > All Documents -

| Home | Value Centers | Corp. Functional Areas | Brands | Global Quick Links | ITT's Culture |
|---|-------------------------------|--|------------------------|------------------------------------|-------------------------------|
| CCT Home | Value Centers | Corp. Functional Areas | Brands | Global Quick Links | ITT's Culture |
| Connectors Home | | | | | |
| Strategy Central | | | | | |
| Libraries | | | | | |
| Site Pages | | | | | |
| Shared Documents | | | | | |
| Strategy | | | | | |
| Market & Competitive Intelligence | | | | | |
| Tasks | | | | | |
| Calendar | | | | | |
| Tools | | | | | |

Type: Items Modified: 2/11/2019 4:09 PM

Name: 2019 CCT Value Center Modified: 2/11/2019 4:09 PM

Name: Aerospace Strategy Modified: 2/11/2019 12:22 PM

Name: AIT Strategy Modified: 2/11/2019 12:10 PM

Name: CCT Leadership Modified: 2/11/2019 12:10 PM

Name: CCT Strategic Plan Modified: 2/11/2019 7:15 AM

Name: Connectors Strategic Modified: 2/11/2019 12:10 PM

Name: Industrial Strategy Modified: 2/11/2019 12:22 PM

Intranet and Share Point

Presentations

CCT Strategic Priorities

| Customer Centricity | Operational Excellence | Innovation | People | Capital Deployment |
|--|--|--|---|--|
| <ul style="list-style-type: none">• Be a recognized performer• Become a future design partner | <ul style="list-style-type: none">• Solid SQDC fundamentals• Exceed customer expectations | <ul style="list-style-type: none">• Invest in Engineering• Re-ignite innovation | <ul style="list-style-type: none">• Culture of performance and learning• Staffing excellence and succession planning | <ul style="list-style-type: none">• Activate Connectors M&A• Invest in insourcing |

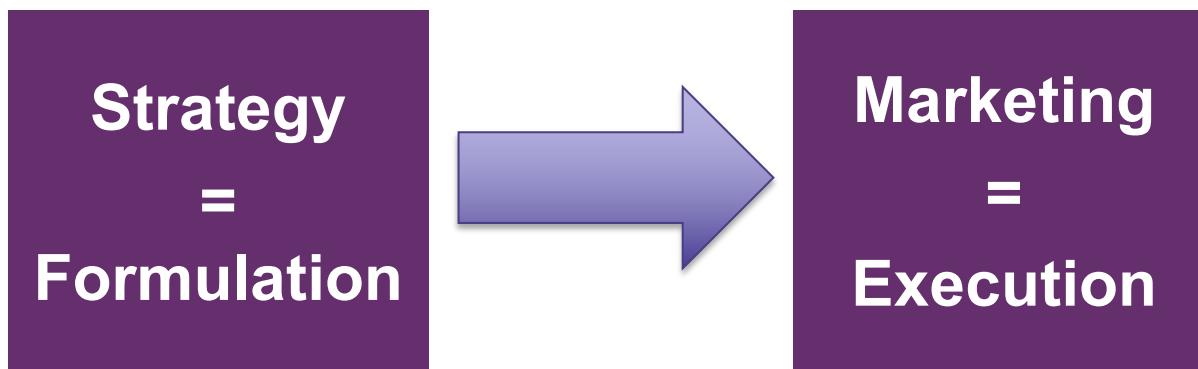
M&A=Mergers and Acquisitions; SQDC=Safety, Quality, Delivery, Cost

Focus on Fundamentals Across All Strategic Pillars

'Town Halls'

Workshops

From Strategy to Marketing



- Market Attractiveness
- Competitive Position
- Objectives
- Growth Plans
- Marketing Mix Choices

- Market Analysis
- Customer Needs
- Product Roadmap
- Product Development
- Pricing
- Marketing Communication
- Lifecycle Management



Voice of Customer (VoC) – Key Principles



- It is **not** the Product Manager speaking on behalf of the customer
 - It is **not** listening to the voice of the sales person
 - It is **not** about going to the customer to solve a quality problem
 - It is **research**. It must be conducted as a rigorous study
1. Understand what the customer sees as **value**, not what engineers think
 2. Probe for customer **pain points**
 - Go beyond what customers say they want
 - ‘Why’ is as important as ‘what’
 3. Face-to-face
 4. Involve the entire project **team**
 5. At multiple customers
 6. Constant customer involvement

Three Key... Yet Simple... Questions

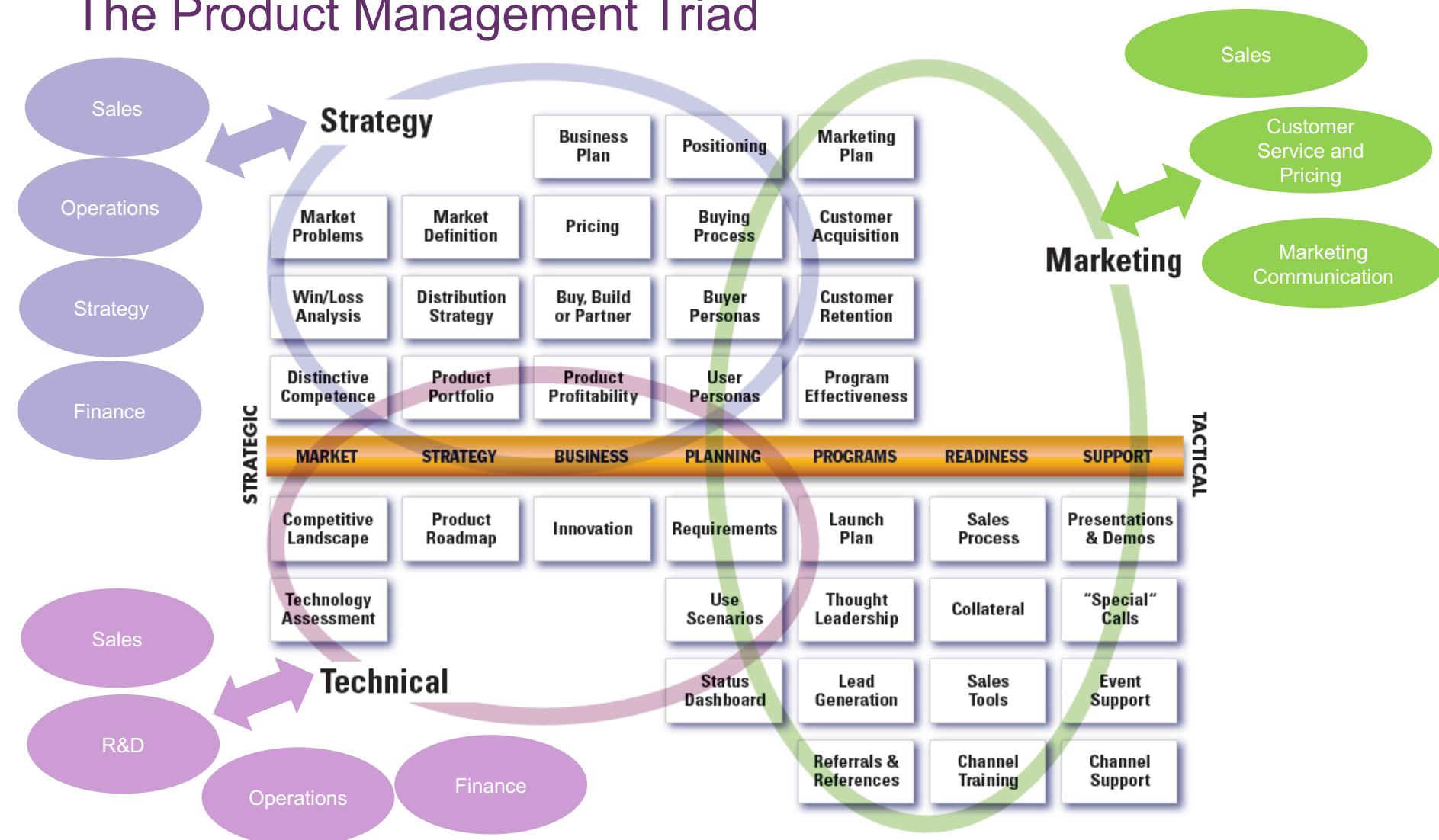
“Real, Win, Worth”

- ✓ Is it Real?
- ✓ Can we Win?
- ✓ Is it Worth it?

Product Marketing/Management @ ITT

A Key Function for Innovation and Growth

The Product Management Triad



Product Management Activities at ITT

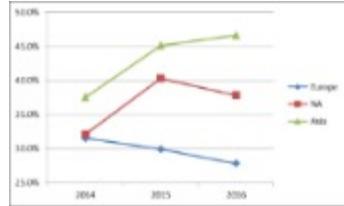
- 1. Product Portfolio Analysis and Management**
- 2. Competitive Position Assessment**
- 3. Pricing**
- 4. Marketing Plan**
- 5. New Product Roadmap**

Examples in following slides

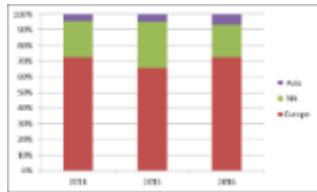
1. Product Portfolio Management

Analysis

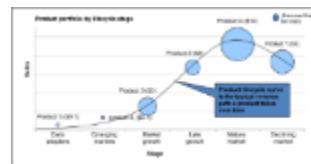
1. By Product Group



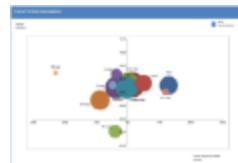
2. Revenues and Margins by Region



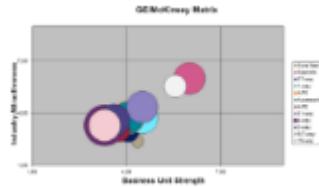
3. Lifecycle Curve



4. Portfolio Decomposition (Sales, Margin, CAGR)



5. GE/McKinsey Matrix



Growth Initiatives

- Pricing
- Cost
- Delivery
- Regionalization of Production
- Promotions



Optimizations

- Harvest
- End of Life
- Consolidate production
- Pricing

2. Competitive Position (at Product Level)

| Product Line/Series/Type | Market Assessment | ITT Position Assessment | | | | | | Critical Gaps | | |
|----------------------------|-------------------|---------------------------|----------------------------|--------------------------------|-------------------|--|----------------|--|---|---|
| | | Available Portfolio/Range | Technology Differentiation | Delivery Performance (OTD, LT) | Perceived Quality | Product Qualifications/ Certifications | Price Position | Critical Gap #1 | Critical Gap #2 | Critical Gap #3 |
| MKJ | ▲▲ | ○ | Red | Red | Yellow | Yellow | Green | ITT lead times are 20+ weeks | Speed of customization design (<2 weeks) | Product line offering |
| Micro/Nano rectangular | ▲ | ● | Yellow | Red | Green | Yellow | Green | Speed of customization and value-add design (<2 weeks) | Portfolio gaps (surface mount, crimp, integrated backshell, panel sealed) | |
| Nemesis | ▲ | ● | Green | Red | Yellow | Yellow | Green | Missing variants (right angle) | Lead times are 20+ weeks | |
| HDX | ▲ | ○ | Yellow | Red | Yellow | Yellow | Yellow | Product line offering | | |
| D38999 | ▲ | ○ | Red | Red | Red | Red | Red | Lack of DLA qual (need to have a full circular product offering to play in key programs) | Cost position | Material and plating offering (composite, black ZnNi) |
| VG95234-type (CA and Veam) | = | ● | Yellow | Red | Green | Yellow | Yellow | OTD <90% | Speed in sampling | |
| VG95328-type (KPx) | ▼ | ● | Yellow | Red | Green | Yellow | Red | Cost position | Lead Time (Amphenol can do < 4 weeks) | OTD <90% |
| VG96929-type (CGE) | = | ● | Yellow | Red | Green | Yellow | Yellow | OTD <90% | | |

5. New Product Roadmap

| Strategic Actions | 2020 | 2021 | 2022 | 2023 | 2024 | |
|---|-------------------|--------|-------|------|------|------|
| Product Category #1 | | | | | | |
| ▪ A | AAAA | | | | | |
| ▪ B | | BBBB | | | | |
| ▪ C | CCCC | | | | | |
| ▪ D | | DDDD | | | | |
| ▪ E | | EEEE | | | | |
| Product Category #2 | | | | | | |
| ▪ Z | ZZZZ | | | | | |
| ▪ z | | zzzzz | | | | |
| Technologies and Capabilities | | | | | | |
| ▪ 1 | 111111 | | | | | |
| ▪ 2 | | 222222 | | | | |
| ▪ 3 | | | 33333 | | | |
| 5-Year Objective | Investments (\$M) | 2020 | 2021 | 2022 | 2023 | 2024 |
| 2019 Revenue: \$xxM | Revenue | | | | | |
| Increase Sales to \$xxM (2024) With xx% CAGR | CAPEX | | | | | |
| | OPEX | | | | | |

Product Innovation

What the Best Companies Do

Critical aspects

Characteristics of Innovation Exemplars

1

Innovation is driven by **customer insights** and linked to strategy

- Corporate strategy and growth priorities guide the focus of innovation
- Insight on emerging customer requirements drives innovation priorities
- Explicit innovation strategy developed (e.g., lead developer vs. fast follower)

2

Culture of innovation is fostered across the enterprise

- Recruit and invest in top engineering talent
- Empower employees to drive innovation and pursue passion projects
- Reward success but tolerate failure as part of the process

3

Innovation agenda **balances short and long-term goals**

- Pursue balance of short and long-term innovation goals
- Invest for medium- to long term growth (not quarterly results)
- Consistently out-invest in R&D through the cycle

4

Emphasis is placed on innovation performance **metrics and incentives**

- Monitor and measure innovation results (e.g., revenue from new products)
- Significant portion of GM/Executive incentive comp linked to innovation
- Non-monetary recognition of top innovators

StanleyBlack&Decker

1

Excelling in Focusing on Customer Pain Points



2

Encouraging and Rewarding Innovation



3

Investing proportion of R&D on 'Big Bets' (7y+ development)



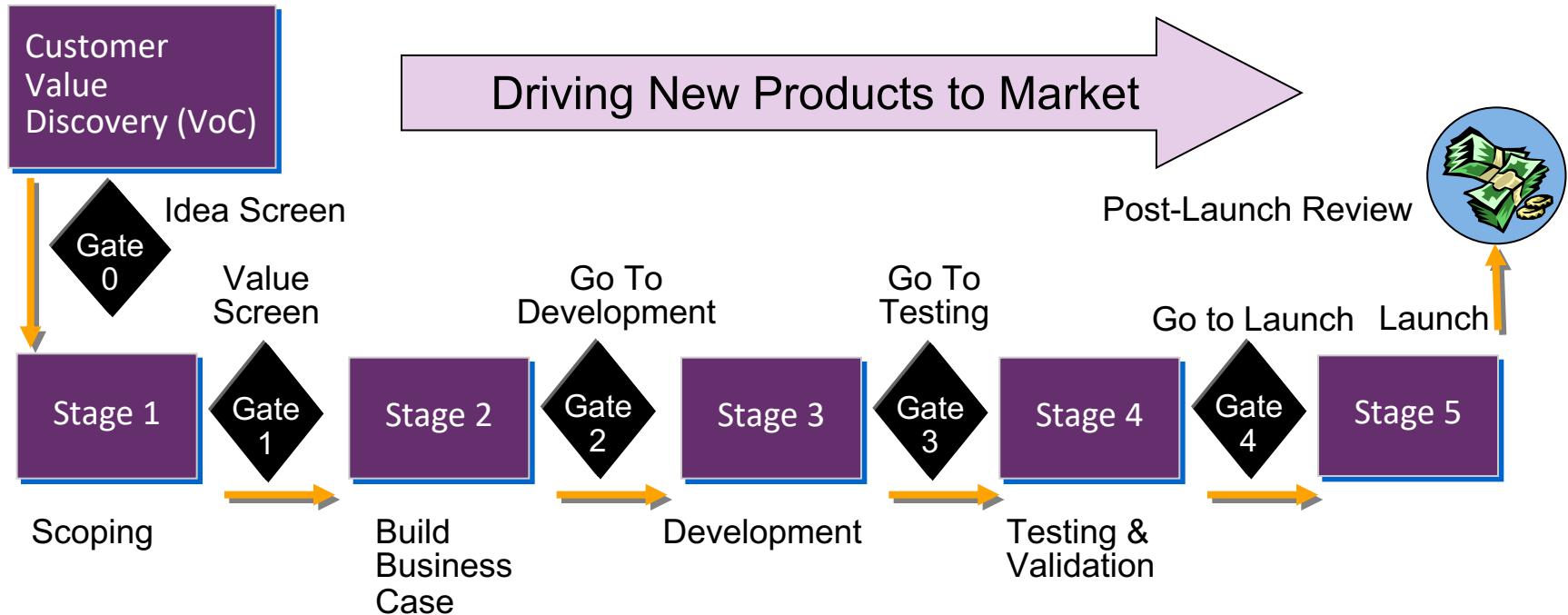
4

Monitoring New Product Vitality Index*



Voice of Customer drives Value Creation

New Product Development: Standard Process Idea-to-Launch



Stages:

- Each stage consists of a number of critical, prescribed activities
- The goal at each stage is to provide defined deliverables for the next decision point (Gate)
- Activities are achieved by cross functional Teams

Gates:

- Are checkpoints
- Criteria against which the project is judged
- The gates are where poor projects are weeded out, and where scarce resources are allocated to the best projects
- Output: **Go/Kill/Hold/Recycle**

Three Key... Yet Simple... Questions

“Real, Win, Worth”

- ✓ Is it Real?
- ✓ Can we Win?
- ✓ Is it Worth it?

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- It is **not** the Product Manager speaking on behalf of the customer
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5. At multiple customers
6. Constant customer involvement

New Product Development: Fast-Track Process for Customized Solutions

Customer Needs Defined



Customer Engagement: product design considerations

1 Day

Active Design Phase: product concept development

1-3 Weeks

Pricing and proposal: budgetary price, tooling costs, prototype costs

1-2 Weeks

Functional prototype: customer order, build and test



4-12 Weeks

Customer Validation: customer testing and qualification

Depend on
customer timelines

Thank
You!