

# SunPower: Where product management serves strategy

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## Summary

Analysis of a move inside the Product Strategy by one the leaders in solar panels: SunPower Corporation.

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SunPower announced end of last year the future availability (by end 2016) of a new range of photovoltaic panels: the "Performance Series". These panels feature a 17% conversion yield, much below the 21,5% yield of its "X Series".

This announcement was published in the company blog and wasn't much advertised. It's even hard to find details on this product on SunPower's very lean website...

So is SunPower moving away from its Product Leadership Strategy and joining the mass of "standard" solar panels? Not at all! This move is serving SunPower's strategy to be a large, global, vertically integrated company that serves large end markets with premium products.

So why such a move? The issue with higher yield panels is their cost and the economic equation (LCOE) wasn't working very well in installations where space constraints were not important. So SunPower was facing the limit of its potential market and as the company doesn't have a niche player strategy, the product strategy had to be changed!

So this move for lower yield panels looks like salvation! Far from moving into low cost, SunPower enlarges its product portfolio with lower yield but still premium products. Of course, it's not the type of products that serve SunPower's High Performance Image, but they seem to be built with a premium mindset with no compromise on quality. They are also likely to have the best price-performance ratio in the industry for 17% yield panels.

Finally, they allow the company to serve more customers and help keeping a large Serviceable Available Market (SAM) while not renouncing to its Product Excellence Strategy. This looks like a smart move in this ultra competitive market and consistent with the company's long-term strategy. Let's see how it's executed but all the elements are assembled for success...