

# B2B Organic Growth Newsletter



New Product Blueprinting by Dan Adams

Growth strategies for companies that supply businesses—not consumers

Nov-Dec, 2008

## How to Grow in a Stagnant Economy

Warren Buffet once observed, “Only when the tide goes out do you discover who’s been swimming naked.” If you’re a business leader worried about your “exposure” in troubled times, consider three tools to put in your economic survival kit.

### 1. Cut the Waste

We’re not talking about reusing paper clips. We’re talking about reinventing the one function in your company that is more wasteful than all others. It’s your new product development, where the average company wastes over half its R&D resources on new product belly-flops. Can you think of any other function—production, accounting, HR—where this level of waste is tolerated?

**Reinvent the one function in your company more wasteful than all others.**

Most companies don’t have enough R&D people to drive existing projects at a decent pace. How would you like to “hire” dozens or hundreds more that already know your

company’s culture, customers and technology... and can start work tomorrow? It’s simple... just kill the dumb projects that are destined to be duds, and set these people free to do some meaningful work. (And really *kill* those projects... don’t just wound them!)

Ahhh, you say you don’t know which projects will be duds. Precisely! *You* don’t know. But your customers do! Instead of huddling with your colleagues in a conference room to decide what your project portfolio should look like, let’s get a little crazy. Let’s ask customers what *they* want you to work on.

The details for doing this are described in our [book](#) and [www.newproductblueprinting.com](http://www.newproductblueprinting.com), but here’s

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### Today’s Quote

*“The reasonable man adapts himself to the world. The unreasonable man persists in trying to adapt the world to himself. Therefore, all progress depends on the unreasonable man.”*

- George Bernard Shaw

### 7 Mistakes that Stunt Growth

**Reason #1: Imagining customers’ needs in your conference rooms.**

Does your new product process begin with “idea generation”? So whose idea is it: yours or your customers? Most suppliers start with *their* solution, “validate” it by showing it to some customers, and then measure market needs by watching sales results.. after product launch!

They should invert this process. *Begin* with customer needs. *End* with supplier solutions. Besides, intelligent B2B customers can detect your “validation” a mile away. They know you are more interested in your idea than in them.

Read a two-page [Executive Briefing](#) for the remaining 6 mistakes.

the essence: First ask customers what outcomes they want (which is much different than showing them your potential solutions). Then have customers rate importance and current satisfaction levels for each outcome. Do this with several customers in a market and you get the *Market Satisfaction Gap* for each outcome. A high Gap means customers are unsatisfied

**Clients are usually surprised to learn what customers really want.**

with an important outcome... and are eager for you to fix this. Blueprinting clients have created Market Satisfaction Gaps in hundreds of markets, and they are *usually surprised to learn what customers really want*. But better to be surprised before development work begins than after the product is launched.

## 2. Learn New Best Practices

It's a good bet there are practices that could quickly increase your effectiveness in key customer-facing activities, such as pricing, sales management and marketing communications. Have you ever left a company to work for another and discovered the new outfit had some pockets of mediocrity? Instead of waiting for new employees to randomly cross-pollinate your organization with improved practices, you need to be *much* more proactive. You need to find, adapt and drive these best practices into your business fast.

If that sounds overwhelming, I have two acronyms for you: APQC and ISBM. The American Productivity and Quality Center is one of the world's leading benchmarking firms. Based in Houston, Texas, APQC has probably already benchmarked any area you can think of. Instead of forming a company benchmark team that will take three months just to frame their work, check this non-profit out at [www.apqc.org](http://www.apqc.org).

But if—like most—you tend to learn more from people than reports, find an organization to tap into. If you are a B2B provider (not consumer goods), you can't do better than the Institute for the Study of Business Markets. Based at Penn State, the ISBM counts as its members over 100 leading researchers and 70 of the most advanced B2B firms. These firms know that companies that “hoard their secrets” fall behind those that continually share and adapt. It's really about how you *implement* new tools. As Ralph Oliva, Executive Director of ISBM puts it, “Tiger Woods wouldn't be worried if I used the same golf clubs as he did.” To check out a wealth of reports, consortia, workshops and other learning opportunities, visit [www.isbm.org](http://www.isbm.org).

## 3. Engage Your Customers

Research done by Huthwaite International shows that the best way to sell a product is to *ask customers what they want*. If that's true, why wait until the product is already developed? Let's ask customers *before* it's developed so we can a) develop a better product and b) engage them so they'll be primed to buy. This isn't practical if you have millions of toothpaste customers, but works well if you're a B2B provider and want to influence your ten largest customers. New tools and skills allow you to interview B2B customers in a respectful, peer-to-peer fashion that leaves customers highly engaged in your new product development.

**Customers are simply looking for suppliers who are competent and care... about them**

Of course, new products can take more than a year to develop... so how is this going to help you now... in the middle of an economic downturn? That's the fun part... one of the unforeseen, unintended consequences of advanced B2B product development. New Product Blueprinting was originally focused only on long-term product development, but our clients began telling us that their newly-learned interview techniques so impressed prospective customers, that it cast them in a new light. Imagine you are the customer: The last ten suppliers have tried to sell you something they already have, and here comes a supplier that listens to you to understand your needs. Who would *you* want to work with?

Take this example: A marketing manager in Europe had been trying to start one new-product project with a customer in the United Kingdom for years. At the end of his first New Product Blueprinting interview, he left the customer with six projects in hand. Customers are simply looking for suppliers who are competent and care... about them.

When the tide goes out and the economy turns down, your competitors will be tempted to forego their long-term prospects in favor of short-term survival. You should hope nobody dissuades them. As Napoleon said, "Never interrupt your enemy when he is making a mistake."

Have you noticed that none of these three tips asks for a trade-off between the near-term and long-term? In every case—reducing R&D waste, adapting new best practices, and engaging customers—you will reduce your short-term pain during the downturn *and* increase your long-term gain afterwards. So keep your swimsuit on and enjoy yourself, regardless of the tide.

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