

B2B Organic Growth Newsletter



New Product Blueprinting by Dan Adams

Growth strategies for companies that supply businesses - not consumers

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5 Growth Risks You Can Stop Taking

Is it a bad idea to take risks? How about risks you don't realize you are taking? Now *that* makes most of us nervous, as it should. In this newsletter we'll look at 5 hidden risks most companies take when they develop new products.

Risk #1: Customer Detachment

Do you try to figure out what customers want in the “fuzzy front end” of product development? If you're a B2B supplier, that's really only half of your job. The other half is to engage your prospects in voice-of-the-customer (VOC) interviews so they will be *primed to buy your new product*. (This isn't practical if you are a B2C supplier and would have to engage a million toothpaste consumers.)

Most of today's sales training is based on Huthwaite's study of 35,000 sales calls over two decades ago. It found that the best selling technique is to ask customers what they want and engage them in a conversation about their needs.

But why wait until your product is already developed? Why not ask customers what they want *before* you design your new product? This will make your question more genuine, engage the customer, and lead to a superior design. You'll still be using the most successful selling technique known to man... just earlier in your process.

Suppliers unwittingly detach customers with a host of risky behaviors:

- 1) Asking customers to help them fill in long, boring questionnaires
- 2) Using the interview to “validate” their preconceived solutions
- 3) Failing to probe with insightful questions
- 4) Neglecting to use a steady stream of follow-up after the interview

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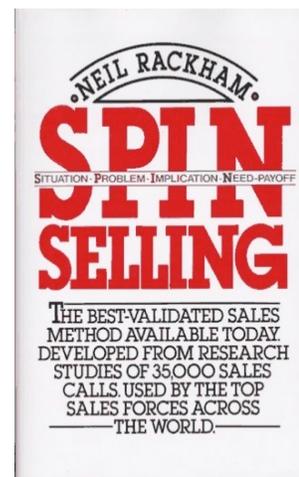
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Today's Quote

“The business enterprise has two—and only two—basic functions: marketing and innovation. All the rest are costs.”

Peter Drucker

Great Books on Growth



For more on this, check out some free chapter downloads of our book at www.newproductblueprinting.com/book

Risk #2: Narrow Targets

In our workshops, we train clients to use two types of interviews: Discovery and Preference. The first is divergent and qualitative; the second convergent and quantitative. Whenever possible, we use a digital projector so customers can

Customers give us ideas we never dreamed of. see their ideas as we record them. (This also turns out to be an incredibly powerful way to engage—not detach—customers.)

Here's what we see time and again: Customers give us ideas during Discovery interviews that *we never dreamed of*. Because we don't confine them with our pre-formatted questions... because we know how to probe... because we are treating their ideas with respect... they take us to new places. This lets the savvy supplier find unmet needs that are outside the narrow scope he otherwise would have targeted.

Sadly, most B2B suppliers treat their customers like B2C consumers... who often lack technical depth, rational decision-making, and incentive to help their suppliers. Your B2B customers are smart and will make you smarter if you know how to access their knowledge.

Risk #3: Internal Bias

I recently did a poll during an online webinar with B2B suppliers, and they scored this as the “most hidden”—not well-considered or addressed—risk of all five. In fact, “internal bias” received more votes than the other four risks combined. (Interestingly, though, “Detached Customers” was rated as the “most damaging” risk.)

We all hear what we want to hear. Admitting we have these biases is the first step: A marketing manager approached me during a workshop break and complained about his boss. He had done months of VOC customer interviews, but when he presented the results, his boss said, “Naw, I don't think customers want *that*. I think they want *this*.”

Why did his boss respond this way? The marketing manager had no hard data to support his position—just some quotes, impressions and anecdotes. And we all hear what we want to hear, don't we?

To get *quantitative* about customer needs, just ask two simple questions: 1) How important is this need (on a scale of 1-10)? 2) How satisfied are you with your ability to deliver this need today

In this classic based on a study of 35,000 sales calls, Neil Rackham of Huthwaite introduced **S**ituation-**P**roblem-**I**mplication-**N**eed/Payoff. When you read (or re-read) this, imagine applying these principles to engage B2B prospects during the front end of product development.

7 Mistakes that Stunt Growth

Mistake #3. Counting on just a few VOC experts.

Some companies rely on a handful of internal VOC (voice-of-the-customer) experts to interview customers. You'll do far better training a critical mass of employees—who routinely interact with customers—to gather customer needs.

Keep your VOC experts as coaches and trainers, but implement “VOC for the masses.” You'll overwhelm competitors by turning a trickle of customer feedback into a torrent.

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

(on a scale of 1-10)? If you multiply Importance times Dissatisfaction (10 minus Satisfaction), you get the Market Satisfaction Gap. We find that a Gap of 30% indicates the customer is eager for a supplier to meet the need in question. If you get low Market Satisfaction Gaps on all needs, you can kill the project now: If customers don't care, why should you?

Risk #4: Competitive Blind Spots

For me, this is one of the most common risks companies take. I find it rare for a company to have an organized process in the front end that accurately portrays all the competing alternatives the customer has. This leads to three specific risks:

- 1) The supplier gets blindsided by a competing product that already does what their new product does
- 2) The supplier fails to attack weak points in competitive offerings
- 3) The supplier *guesses* the relative value of his new product, leaving money on the table when pricing

Two conditions must always be present to capture maximum value. Condition A: Your product provides a benefit the customer values greatly. Condition B: The customer is unable to get this value elsewhere. If you only interview customers, you learn A... but not B. You need rigorous side-by-side testing for B.

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We train clients to ask specific questions in their Preference interviews, such as, "How would you measure whether you were getting this outcome?" and "Using such a measurement, what result would you consider barely acceptable?" Questions such as these allow you to establish test procedures that will accurately predict how customers view your new product vs. competitors'.

Most companies make many assumptions about how good their competitors' products are. When they begin our brand of side-by-side testing, they are often shocked by their first unfiltered view of where they really stand. It's a bit like a beautiful theory being attacked by a brutal gang of facts. Not pretty, but much better than launching a dud.

Risk #5: Low Findability

The first four risks occur in the "fuzzy front end" of product development. This one occurs during the product launch phase: Most of us imagine we need to go out and hunt down customers when we launch our new product. But in 80% of all B2B transactions today, *the customer finds the supplier, not the other way around.*

The internet has brought new rules of engagement, requiring you to answer new questions: What will prompt a Google search by prospects? What search terms will they use? How can you hold their interest? Who are your real targets among the many job functions usually involved in B2B buying decisions?

Request your advance copy of our upcoming free E-book on B2B Product Launch.

In a few weeks, I'll be publishing a free e-book: *12 New Rules of B2B Product Launch*. If you'd like to sign up for your copy now, drop me an email: [Request Free E-Book](#)

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Any of these risks hampering your company's growth? Or perhaps a risk I didn't mention? If you'd like to share your experience, drop me a note at dan.adams@aimtolead.com.
