

B2B Organic Growth Newsletter



New Product Blueprinting by Dan Adams

Growth strategies for companies that supply businesses - not consumers

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Shape Your Economic Recovery

What's the best way to get more than your share of an economic recovery? Deliver more than your share of customer value. Specifically, you need to develop differentiated products that provide benefits your customers crave... and can't get elsewhere at comparable cost. Doing so will accelerate your growth in the upturn, and insulate you from the worst of the next downturn.

But if your competitors are also pursuing differentiated products, how will *your* company succeed while *they* struggle? After all, what sets you apart? Are your scientists smarter? Do you spend more on R&D? Do you have a longer time horizon?

These things might give you an incremental edge, but the best way to deliver *substantial* new customer value is this: Don't approach the problem the same way your competitors do. Instead, use a differentiated approach for differentiated products. Most competitors approach product development with a *supplier-centric mentality*. To avoid this trap, ask yourself three questions: 1) Whose idea is it? 2) How eager are the customers? 3) What are customers' alternatives?

Whose Idea Is It?

Do you have a new product development process...perhaps with stages and gates?

Got a new product idea? Whose idea is it...yours or your customers'?

Is the first stage labeled "New Idea" or "Ideation"... maybe with a light bulb in it? That's fine, but here's the question: Whose idea is it...yours or

your customers'?

I've trained clients in hundreds of B2B industries, and find suppliers nearly always begin product development with *their* ideas...not their customers'. So when do suppliers actually know if they're meeting market needs? When they watch the sales results of their new product! This means most companies start

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Today's Quote

"I am easily satisfied with the very

with the supplier solution and end with market needs. What if they inverted their process... and started with market needs and ended with supplier solutions? (View "Invert Your Process" video at [New Product Blueprinting Video Tour](#).)

Actually, two things would happen. First, suppliers would learn much more about customer needs than their competitors, especially if they are in the B2B, not B2C business. That's because B2B customers are more insightful, rational, and interested.

Second, they'd prime those B2B customers to buy their new product by engaging them with highly interactive interviews. We're not talking about your father's voice-of-the-customer interviews. We're talking about *B2B-optimized* interviews. To learn more, download Chapters 8 and 11 at [New Product Blueprinting Chapter Downloads](#) (no cost or registration for download).

How Eager Are Customers?

Let's say you follow the advice in Chapters 8 and 11 above, and do some great qualitative customer interviews. You'll have dozens and dozens of customer ideas you *could* work on. But which ideas do you target in your new product design?

That's when you should get quantitative. You need to understand which customer outcomes are *most important* and *least satisfied* today. The metric I've developed for this is called the *Market Satisfaction Gap*. It tells you precisely which ideas the customer is eager for you to pursue. (For more, download Chapter 14 at [New Product Blueprinting Chapter Downloads](#).)

Skip this step if you've got extra R&D resources you're trying to keep busy.

The Market Satisfaction Gap prevents a fortune being spent developing supplier-centric products customers yawn

at. Skip this step if you've got extra R&D resources you're trying to keep busy. But make this a priority if you want everyone working on projects that will catapult you out of the recession faster than competitors.

What Are Customers' Alternatives?

We often talk about competitive products. That's OK, but it's actually healthier to think in terms of customers' alternatives. If you make structural adhesives, these alternatives might be other adhesives, but they could also be welding or mechanical fasteners.

In my experience, suppliers don't look at customers' alternatives rigorously or early enough during product development. Proper side-by-side testing requires answers to four questions:

"I am easily satisfied with the very best." – Winston Churchill

7 Mistakes that Stunt Growth

Mistake #5. Gathering only qualitative customer feedback.

I met a frustrated marketing manager who had spent months interviewing customers, only to hear his boss say, "Nah, I don't think they want *that*; they want *this*." That wasn't a great response, but part of the problem is those interviews lacked credibility. That's because *interviewers often hear what they want to hear...* and then parade some customer quotes for support. You need *quantitative* data, which measure customer importance and satisfaction on key outcomes. Skip quantification and your new product will be based on assumptions, bias and wishful thinking.

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

- 1) Which attributes should I test?
- 2) What test procedures should I use?
- 3) What test result is barely acceptable?
- 4) What test result leads to total satisfaction?

Here's the good news for the B2B supplier: Your customers are smart enough to answer all of these questions. Well designed, customer-centric side-by-side testing will help you properly price your product and avoid getting blindsided by competitors' products.

Research shows that only one in four new products succeeds once a project enters the costly product development stage. I doubt there is any other function within your company where this level of failure and waste is tolerated. And supplier-centric product development is at the heart of the problem.

Supplier-centric product development will fade away...just as quality inspectors were replaced by Dr. Deming's statistical process control. But the question is adoption rate. When will you use a differentiated approach to offer differentiated products? Hopefully in time to shape your share of the economic recovery.

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