

## 5 MORE Secrets To New Product Success

In the last issue of *The Stokely Letter* we discussed five proven keys to improve your odds for success in new product development work.

1. **Top Management Commitment**
2. **Establish Specific Goals**
3. **Dedicate Resources**
4. **Continuous Active Listening To Customers**
5. **Thinking Outside Of The Box**

These principles have evolved from our three decades of battle tested experience in such diverse product categories as breakfast foods, toys, crafts, hardware, retailing and office products, as well as our observations of many other industries. Our experience includes:

- A variety of Customers, from children to housewives to company purchasing officers.
- A variety of product life cycles from the trendy here today gone tomorrow toy industry to the slow to introduce and adopt office products industry.
- And companies with a new product culture as well as those with a strong reliance on established products.

What all of these experiences have taught us is that there are fundamental new product development principles that apply to most companies in most industries.

In this issue we share five more principles that will improve your odds of success in developing new products and services.

### 6. Focus On Performance & Value

New products will succeed when they perform better than existing products in satisfying Customer needs, in a way that delivers a better perceived Value.

Value is not lowest price, as we discussed in an earlier *The Stokely Letter* "How to Create and Deliver Real Value". Value is a complex issue. We have developed and shared in previous *Letters* our framework of the 4Cs (Customer, Convenience, Cost and Communication) to guide development of a compelling Value proposition.

Lexus is a great example. This company started from scratch not that many years ago with a goal to effectively compete with luxury car makers Lincoln, Cadillac and Mercedes. What a

challenge! They had no dealerships, no brand recognition, not even a product! Yet today Lexus is a terrific success, because they have relentlessly focused on the product performance and Value their Customers want, and consistently delivered on it. They have arguably created a new standard of quality and Value in automobiles.

It is easy to produce "me too" products. Just look at the shelves of any grocery and discount store. There are row after row of products that often appear quite similar. Health and Beauty Aids are a prime example. What are the real and perceived differences among many of these pain relief, toothpaste, shaving cream and shampoo products, if any?

### 7. Speed In Everything

A constant sense of urgency helps to keep leading new product companies ahead.

Speed is important in generating new concepts, prototyping and testing, making decisions, introducing to the marketplace and evaluating Customer feedback.

- Comfortable schedules and reasonable timelines are out.
- Lumbering control and approval processes are out.
- A preoccupation with making everything "right" is out.

These constraints can strangle the energy and zest so vital to making new products happen.

There is no time to lose!

Even with a highly complex project where safety is paramount, Boeing demonstrated the advantage of speed in new product development.

The new 777 airplane was developed completely through 3-D imaging and computer simulation tools, without even one full-scale model being constructed! This gave Boeing an enormous time advantage in developing their new airplane, and a huge opportunity to preempt competition.

Whether it is a new software product, a new computer accessory product or a new service offering, the "First Mover" advantage is becoming increasingly important.

This means that the first to market has the first opportunity to create initial awareness and distribution, first to build brand recognition, first to develop Customer relationships, first to learn how to further improve the offering, first to gain market share, and first to potentially establish a dominant market position.

Amazon.com understands this. That is why they are running



as fast as they can.....and losing millions of dollars as they do it. They are attempting to broaden their "First Mover" advantage as the leading Internet bookseller to other product categories like music and electronics. If they can do this successfully, they hope to establish and retain a powerful and broad Customer franchise that will pay off for years to come.

## 8. Keep It Fun!

Creative pioneering can be stressful.

The paths can be filled with dead ends and wrong turns. When I visited Cincinnati grade schools for Kenner Toys to observe children playing with our new toy prototypes, it was sometimes agonizing. There I was standing behind a one way mirror while two boys sometimes totally ignored the toy we had spent heart and soul developing!

Sometimes the lack of daily positive feedback and encouraging results can drain the enthusiasm and commitment so crucial to new product success. This pressure can affect the relationships of those responsible for making new products happen.

What is so important is to find both formal and informal ways to continually inject fun and laughter into each day.

Maybe it is special "spoof awards" (I received a live turkey in my office one time), maybe a surprise party, or maybe team recreation competition.

Finding reasons (sometimes any reason) to celebrate small victories can recharge everyone's batteries and recommit them to the goal.

## 9. Be Sure To "Not Succeed" Often Enough

"Not succeeding" (there is no such thing as failure) is a terrific measure of how hard you are trying.

You have to take your swings if you want to get hits. Just like Sammy Sosa and Mark McGuire, if you want to hit home runs you are probably going to strike out a lot too.

George Lucas is famous for his Star Wars movie hits. But do you remember Howard the Duck, one of his bombs?

Colonel Sanders made hundreds of sales calls on restaurants trying to sell his chicken recipe. He even slept in his car as he traveled from town to town, because he was almost out of money. Finally, he made his first sale. Customers loved his chicken so much that it became the basis for what is now KFC, the leading worldwide chicken franchise chain.

Edison tried hundreds of unsuccessful approaches before he discovered the right way to make the light bulb.

Some companies foster a culture of risk taking by recognizing great attempts that didn't make it. It is a way of reinforcing

this proactive behavior, and giving permission to the organization and the new product champions to keep trying.

Many of us have learned our greatest lessons in life not from our successes, but from those instances where we "didn't succeed". It can be the same with new products.

Every try brings new information and experiences. And every try improves our odds for success.

## 10. Reward Those Responsible

We all like to be recognized and rewarded for positive results.

Celebrating new product victories is particularly important for those who have nurtured and championed them. Recognition goes a long way toward compensating those who have contributed to the effort.

Special financial rewards can be a strong motivator to reinforce the special efforts required for continual new product success.

## Summary

Most leading firms clearly recognize the importance of new products and services to their continued success.

Our work in a variety of industries and companies has revealed these ten proven keys to creating and nurturing a culture that will provide a continuous flow of new products.

We will be delighted to talk with you about how these keys can be applied to your business.

As always, we welcome your thoughts and experiences.



*"Everything you do will have to be geared to moving faster."*

Jack Welch, General Electric

*"Ideas are like your children, your own are always wonderful."*

Anonymous

*"If things seem under control, you're just not going fast enough."*

Mario Andretti, Race car driver

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