



2206 20<sup>th</sup> Street  
Cuyahoga Falls, OH 44223  
Office: 330-715-8709  
Mobile: 330-715-8459  
dan.adams@aimtolead.com  
www.newproductblueprinting.com

## For Immediate Release

For a review copy of the book  
or an interview with the author,  
please contact Dottie DeHart,  
DeHart & Company Public Relations,  
at (828) 325-4966 or Dottie@dehartandcompany.com.



# Leaping Up the Innovation Ladder: The Six Levels of Customer Engagement—and Why Scaling It Will Boost Your Bottom Line

*What kind of innovator is your company? A “Conference Roomer”? An “Expert Asker”?  
Or something else entirely? According to Dan Adams, the most effective  
(and richest) companies directly engage the customer in their innovation efforts.*

**Cuyahoga Falls, OH** (March 2010)—Is your company a great innovator? It’s a tricky question. If you interrogate your sales team a couple of times a year, then bombard the marketplace with new “solutions” to customer problems, you might assume the answer is yes. After all, you *are* giving your company’s product developers a real workout. But if you’re merely practicing the R&D equivalent of what the military calls “spray and pray,” you’re wasting time and money. (Can you afford either right now?) According to product development guru Dan Adams, the true litmus test is customer engagement.

“Too many companies fail to factor the customer into their innovation efforts,” says Dan Adams, the author of *New Product Blueprinting: The Handbook for B2B Organic Growth* (AIM Press, 2008, ISBN: 978-0-9801123-4-4, \$35.00). “Oh, they may half-heartedly solicit customer input—in a ‘You *do* need this product, right?’ kind of way—but they don’t really listen to it. They don’t let customers drive the process. And that’s too bad, because if they don’t engage customers directly, aggressively, and objectively, they’re going to get sluggish results.”

Adams cites a massive study, “The Global Innovation 1000,” undertaken by Booz Allen Hamilton. Through it, they studied 84 percent of the planet’s corporate R&D spending.\* The researchers identified several distinct innovation strategies, but uncovered *one* universal factor that led to success: “Companies that directly engage their customers had superior results regardless of innovation strategy.”

And not just a little bit superior, notes Adams. *A lot* superior. Those companies that used direct customer engagement while innovating—vs. indirect customer insight—enjoyed the following financial gains:

- 1) **Profit Growth:** Operating income growth rate that was three times higher.
- 2) **Shareholder Return:** Total shareholder return that was 65 percent higher.
- 3) **Return on Assets:** Return on assets that was two times higher.

\* “The Customer Connection: The Global Innovation 1000,” Booz Allen Hamilton, 2007.

So what do you do with this information? For starters, says Adams, if you’re in a conversation about your company’s innovation and nobody’s talking about the customer, realize something might be very wrong.

“To put it in terms of this study, your company might be practicing ‘indirect customer insight’ instead of ‘direct customer engagement,’” he explains. “This is a kind way of saying, ‘We’ve lost track of who our innovation is supposed to help.’”

Adams says he’s spent the better part of a decade helping B2B suppliers engage their customers in the innovation process. During this time he’s observed six distinct levels of customer engagement during product development:

**Level 1: The Conference Roomers:** If you’re innovating at the lowest level, you decide what customers want around your conference room table. Internal opinions determine the design of your next new product. As you might guess, this isn’t very effective.

**Level 2: The Expert Askers:** At the next level, you poll your sales force, tech service dept., and other internal experts to determine customer needs. This is better than Level 1—because more voices are heard—but still too “internal.”

**Level 3: The Customer Surveyors:** Companies at this level use surveys and polls to ask customers what they want. This begins to shake out internal biases... but doesn’t deliver much in the way of deep insight.

**Level 4: The *Qualitative* VOC-ers:** If you're at this level, you send out interview teams that meet with customers to learn what they want. This is a quantum leap from VOO (voice of ourselves) to VOC (voice of the customer).

**Level 5: The *Quantitative* VOC-ers:** The problem with *just* qualitative VOC is that people hear what they want to hear. Companies that move beyond it to Level 5 get far more objective customer input. Yes, *quantitative* feedback drives out assumptions, bias, and wishful thinking.

**Level 6: The B2B VOC-ers:** Companies at this level really, truly get it. They know that unlike end-consumers, B2B customers are knowledgeable, rational, and interested. *B2B-optimized* interview methodology fully *engages* them to take advantage of this reality.

Not happy with your level? Don't fret, says Adams. You *can* move up the ladder and start directly engaging your customers—and you can do it more quickly and easily than you ever thought possible. (NOTE TO EDITOR: See attached tipsheet.)

"I've seen businesses leap from Level 1 to Level 6 in the space of a year," he reveals. "All it takes is solid training and committed leadership. There really *is* a formula for getting inside your customers' heads, asking the right questions in the right way, and shoring up your relationship with them in the process. Once you understand the very real, very profitable benefits of changing the way you innovate, nothing will hold you back."

###

#### **SIDEBAR: Why Customers Matter: Three Reasons to Put Them Front and Center in Your Innovation Process**

**1. They Have the Insight You Need:** A successful company innovates for its customers, not itself. That's because nobody inside your company can pay for innovation: Only your customers can do that. So the more closely you engage those who pay... the more you learn *what* they'll pay for.

**2. Asking Customers Boosts Your R&D Efficiency:** Innovation is often misunderstood as the process of coming up with the right answers, when it is usually about asking the right questions. If the bright people in your company are focused on *real* customer needs, they'll run circles around the bright people at competitors who are wasting time on the wrong questions.

**3. You Can Pre-Sell Them:** "I believe the Booz Allen conclusions are especially potent for the B2B supplier serving a concentrated market," notes Adams. "If you interview the 10 largest prospects in your target market correctly, you'll engage them so they'll be primed to buy when you launch that new product."

###

**About the Author:**

Dan Adams, president of Advanced Industrial Marketing, Inc., is passionate about B2B new product development. In over 30 years working within and with major B2B corporations, he has explored every aspect of product development, building New Product Blueprinting from the ground up. He is a chemical engineer and holder of many patents and innovation awards, including a listing in the National Inventors Hall of Fame. Adams was head of strategic planning for a billion-dollar company and has extensive experience in Fortune 500 marketing, business development, and leadership positions. He is an award-winning speaker and conducts workshops in every region of the world. His 2008 hardcover book, *New Product Blueprinting: The Handbook for B2B Organic Growth* ([www.newproductblueprinting.com](http://www.newproductblueprinting.com)), clarifies the “fuzzy front end” of innovation, and his 2009 e-book, *12 New Rules of B2B Product Launch* (free download at [www.b2bproductlaunch.com/e-book](http://www.b2bproductlaunch.com/e-book)), boosts launch success. Advanced Industrial Marketing Inc. (AIM) was built on the belief that understanding your customers’ deepest needs is a competitive advantage you should learn—not outsource. AIM conducts workshops globally to train commercial and technical teams in advanced B2B product development, provides strong post-workshop coaching support...and then gets out of the way.

**About the Book:**

*New Product Blueprinting: The Handbook for B2B Organic Growth* (AIM Press, 2008, ISBN: 978-0-9801123-4-4, \$35.00) is available at bookstores nationwide and from major online booksellers.

**For more information, visit [www.newproductblueprinting.com](http://www.newproductblueprinting.com).**