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The B2B “Bad Economy” Cure: Five Reasons Why Now Is the Time to Embrace New Product Blueprinting

Dan Adams says the only way to win in tough times is through organic growth. Companies must consistently come up with differentiated new products customers want to buy—and that means finding clarity in the “fuzzy front end” of the process.

Cuyahoga Falls, OH (June 2008)—Economically speaking, (and with apologies to Thomas Paine), these are the times that try men’s souls. This is especially true when those men (and, obviously, women too) are business leaders. If you’re one of them, you have a tough row to hoe. Keeping the customers you already have can be difficult enough in an age of consumer anxiety, vise-tight budgets, and suddenly-Scrooge-like bankers. But actually growing your company in the way it needs to be grown in order to thrive long-term—well, it can feel like an impossible feat.

Don’t despair. Dan Adams has two words for you: *organic growth*.

“When debt financing flows freely, it’s easy to grow your company through acquisition,” notes the author of *New Product Blueprinting: The Handbook for B2B Organic Growth* (AIM Press, 2008, ISBN: 978-0-9801123-4-4, \$35.00). “When consumers are on a buying spree, even a mediocre business can grow nicely. But when these go away—like right now—the real quality of a business shows through. After all, it’s hard to tell how well your engine is running when you’re coasting down a long, smooth hill.

“You have to grow from within,” he insists. “That means becoming a well-oiled, finely-tuned new product machine.”

A company’s growth engine is its ability to deliver differentiated value to its customers through new products and services. Period. If you can’t develop new “stuff” that customers want to buy—and keep doing it over and over—you won’t be in business for long. As Peter Drucker put it, “The business enterprise has two—and only two—basic functions: marketing and innovation. All the rest are costs.”

Many executives lose sight of this truth, says Adams, especially when growth comes relatively easily. They spend too much time thinking about investor relations, human resources, financial reporting, and so forth. Yes, these are very important subjects—but they’re *not* the engine. They’re the mirrors, radio, and lights. And the executive who fails to check under the hood will be sorely disappointed when it’s time to climb the next hill.

If the first step is fully recognizing the importance of that organic-growth engine, the second is tuning it to a high-performance level. How do the best companies do this? In recent years many large global B2B companies have adopted the New Product Blueprinting process developed by Adams’ company, AIM (Advanced Industrial Marketing, Inc.). This process focuses on the “fuzzy front end” of new product development—an area that is at once critical and exasperating to business leaders. Simply put, you work patiently with your customers to create a mental picture of something that will excite them. Then you create a new product blueprint that answers two critical questions: “How will we make it?” (technical paths) and “How will we pay for it?” (business case). **NOTE TO EDITOR: See attached tipsheet for the Seven Steps of New Product Blueprinting.**

“Companies that take this approach consistently launch products that are eagerly embraced by their customers,” promises Adams. “This is New Product Blueprinting—a seamless, reproducible process to develop products customers love, competitors respect, and stockholders applaud.”

What makes New Product Blueprinting so attractive to B2B companies? Adams offers the following insights:

Blueprinting lets you more effectively harvest “low-hanging fruit.” It’s almost always easier to get more business from satisfied customers than to start from scratch and try to sell yourself to new prospects. This is true in good times as well as bad. But during a downturn, many prospects will be far more wary of aligning with unknown companies. (That’s you.)

Your current customers are no different. They would prefer to stay with someone safe, someone they know and trust. (That's you, too.) New Product Blueprinting is the perfect mechanism for discovering your customers' as-yet-undiscovered needs—and, if you play your cards right, the needs of your *customers'* customers.

“If you already supply widgets for Acme, Inc., maybe you can *also* supply them with gizmos,” notes Adams. “And maybe *their* customers need thingamabobs. Enter, the New Product Blueprinting approach. Hold customer interviews with Acme and with *their* customers—in other words, interview downstream—and you've not only potentially shored up orders for gizmos and thingamabobs, you've helped Acme strengthen ties with their customers. That's always appreciated.”

It prevents you from squandering resources on unsuitable markets. Of course, however gung-ho you may be about selling to existing customers, there will come a time when you must trawl virgin waters. In a sluggish economy, you certainly can't afford to waste your time and money in pursuit of customers that aren't likely to pay off. Adams says that's another benefit of the NPB process—it has a built-in commonsense mechanism for preventing such bad decisions.

“Most B2B suppliers don't differentiate enough between market segment opportunities,” he writes. “They aim too many resources at slow-growth, dog-eat-dog segments and too few at the most attractive. The first step in New Product Blueprinting is targeting the best market segments. What's the point of aiming scarce resources at a stagnant segment dominated by an entrenched competitor, or about to be attacked by low-cost, offshore producers?”

It accounts for the critical differences between B2B and B2C customers. Too many B2B suppliers have severely limited themselves, particularly in the front end of product development, by using B2C practices to understand customer needs. Adams says profound differences exist between, say, a hydraulic hose buyer and a garden hose buyer. Even if Joe buys a hydraulic hose on Friday (at the office) and a garden hose on Saturday (at the local hardware store), he morphs into an entirely different person from one transaction to the next—and the Blueprinting process takes this change into account.

“Industrial buyers are more technically savvy and less emotional than consumers,” Adams points out. “Workday Joe thinks about hose durability, fluid specifications, and pressure ratings. Weekend Joe, on the other hand, might choose Hose A over Hose B because it's purple and that's his wife's favorite color. Plus, Workday Joe will be held accountable for the hydraulic hose purchase and thus makes his decision by an entirely different set of criteria than he would use at the hardware store.

“There are other differences, as well,” he adds. “If you're selling hydraulic hoses, you might have a few dozen buyers. If you're selling garden hoses, you're selling to millions. Obviously it's far more practical to engage a mere handful of buyers in the product development process than it would be to engage millions of gardeners. This is one of the most powerful and overlooked benefits in front-end B2B product development.”

Most B2B suppliers attend the same innovation conferences and read the same books as their B2C counterparts. So they use the same methods to hear the “voice of the customer” when designing their new products. When they do this, they forego enormous advantages they have in a customer base that is more savvy, rational, interested, and concentrated.

It helps you engage customers by treating them with respect and soliciting their input.

Guess what? Consumer-oriented Voice-of-the-Customer techniques don't make your interview subjects leap for joy. Tape-recording them and observing them through one-way mirrors is more likely to make them feel like chimps being observed by Jane Goodall—not professionals whose advice is being sought by a peer. It's uncomfortable and it certainly doesn't let you take advantage of their wealth of knowledge. Your customers are smart. If you work with them, they will make you smarter.

“We never approach the customer with cleverly-scripted questionnaires,” says Adams. “We ask simple questions that encourage them to direct us to the areas *they* are most concerned with. Also, we prefer using a laptop and digital projector to let the customer see everything being recorded. This makes it seem like less of an interview and more of a discussion. It promotes a respectful, peer-to-peer dialogue, creates an idea-generation atmosphere, and makes the customer feel much more engaged.”

It helps you avoid both the “selling stigma” and the “great solutions giveaway.” When most B2B suppliers call on their customers, they are doing one of two things: selling or solving. The sales and marketing people are peddling their wares, and the technical people are fixing whatever is broken. For Blueprinting interviews, says Dan Adams, the advice to commercial people is “search now, sell later”...and for technical people it's “search now, solve later.”

“For these interviews, you are interested only in the results customers desire,” he says. “Customers don't give a hoot about your products...they just want certain things to happen for *them*. When you're selling your ideas, customers know you're not all that interested in them. When you're solving problems with them, you're jeopardizing your intellectual property. In both cases, you're wasting precious customer face time instead of probing to understand how you can deliver value your competitors are missing.”

Of course, implementing New Product Blueprinting won't be easy. It means changing the DNA of your company so it *routinely* delivers more product value than your competitors—and we all know such change is daunting, indeed. But Adams insists this paradigm shift is absolutely necessary.

“Yes, these are tough times in which to shake up a company in such a way,” he says. “But also exciting times. In the last decades of the 20th century, companies discovered they could reach unimagined levels of manufacturing quality and productivity. I believe the next frontier is to dramatically improve the way we develop new products. Future competitive advantage will come from what we design, not how faithfully or efficiently we reproduce it.

Why be satisfied with great quality and productivity for making products customers yawn at...especially if competitors have the same quality and productivity.

“As Statistical Process Control and Six Sigma were to operational improvement, New Product Blueprinting is to new product success,” Adams concludes. “It requires an investment in people and a commitment to do things differently. But then, that’s how we differentiate, isn’t it?”

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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. 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.