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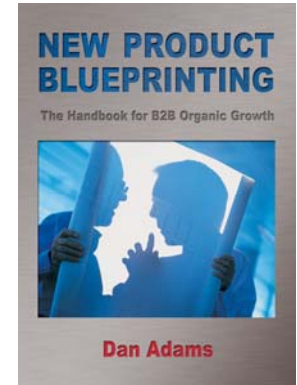
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Resisting the Steve Jobs “Innovation Temptation”: Eight REALISTIC Steps to Creating Great New B2B Products Your Customers Will Love

Sure, Steve Jobs has created products we all love. But his method of creating products without his customers’ input won’t work for most businesses, especially B2B suppliers. Dan Adams offers his advice on how you can create Steve Jobs-quality products with a high likelihood that your customers will buy them.

Cuyahoga Falls, OH—There’s a famous quote from Henry Ford that Steve Jobs has been known to cite: “If I’d have asked my customers what they wanted,” Ford reportedly said, “they would have told me ‘a faster horse.’” Yes, it reflects a bold product development philosophy. And this closed-door, tell-customers-what-they-want-even-if-they-don’t-yet-know-it approach works well for our modern day King of Innovation (and his development team at Apple, of course). But if you’re tempted to adopt the Jobsian method yourself, Dan Adams urges you to think twice.

“Don’t start wearing black turtlenecks and imagining your blockbuster new product just yet,” advises Adams, author of *New Product Blueprinting: The Handbook for B2B Organic Growth* (AIM Press, 2008, ISBN: 978-0-9801123-4-4, \$35.00, www.newproductblueprinting.com) and founder of Advanced Industrial Marketing.

“The reality is that the average new product success rate—once the costly development stage begins—is only 25 percent,” he adds. “Generally speaking, for those of us who *aren’t* Steve Jobs, the practice of developing new products first and then waiting to see if customers buy them is a terribly inefficient use of resources.”

For B2B suppliers, in particular, Adams extols the virtues of *first* understanding market needs and *then* developing supplier solutions to meet them. In fact, his New Product Blueprinting—packed full of very practical methods, skills, and tools that have been finely tuned on six continents and in hundreds of industries—centers on this “ask before you innovate” philosophy.

“The good news is that you can conceptualize products you know your customers need *before* spending a bundle on development and launch,” explains Adams. “And even more good news, this approach does *not* prevent you from developing exciting, breakthrough products. What’s more, it’s unlikely your competitors are using this approach today, so your competitive advantage can be enormous.”

Here are the key steps to becoming a new product mastermind in your own right:

Remember, Steve Jobs deals in consumer goods—a whole different ballgame from B2B products. In describing his iTunes development team, Jobs said, “The reason that we worked so hard is because we all wanted one. You know? I mean, the first few hundred customers were us.”

In contrast, points out Adams, when DuPont developed Kevlar[®], they first experimented in applications such as tire cords. They went 10 years before implementing the first field trial in protective body armor, which ultimately became their main market. If you’re selling to other *businesses*, it’s unlikely you know enough about your customers’ worlds to hit the nail on the head with every product you develop for them.

“Unlike Steve Jobs, who can create successful products based on what he knows he wants and what his Apple employees want, you have to ask your customers what *they* want,” says Adams. “Otherwise, you risk spending tons of time and money on a product that you think is great, but that ultimately elicits a sleepy yawn from your customers.”

Compare your IQ (Innovation Quotient) to Steve’s and act accordingly. There’s no doubt that you and your team are smart. And in fact, you and your development team *may* just be as smart as Jobs and his team. But it’s unlikely you’ve worked as hard for as long at mastering the skills needed to develop blockbuster products.

“Just because Reinhold Messner—one of the world’s greatest mountain climbers—makes a solo climb of Mt. Everest without supplemental oxygen, doesn’t mean you can,” notes Adams. “But with training, oxygen, the right team, and an easier route, you might still enjoy the same view. My point is, if you want to win in the marketplace, tip the scales in your favor. Why not avoid unnecessary risks when you can?”

Because these risks can be costly. During a time period that Jobs was absent from Apple, the company had its share of new product flops. You might recall the Newton MessagePad. Or how about the Apple Bandai Pippin, the gaming console technology created by Apple, or Cyberdog, the Internet browser Apple created back in the late ’90s?

“Sure, it would be great if your next three products were MacBook, iPod, and iPad,” says Adams. “But if they are Newton, Pippin, and Cyberdog, will you still even be working at the same company?”

Learn how to attack the right market. When Apple develops a new product for the global consumer electronics market, it can be assured it is pursuing a market that is large, growing, and open to change. Unfortunately, it's possible—and all too common—for B2B suppliers to pursue far lesser markets.

“If you make adhesives, they could be used in window construction, aircraft interiors, solar panels, and so on,” notes Adams. “Smart B2B suppliers focus their scarce resources on just those market segments with the best prospects for growth, adequate size, reasonable competitive landscape, and so on. You can learn much of this information by doing solid secondary market research. But you often need to spend time interviewing customers in potential market segments as well. Sometimes you’ll find an ‘over-served’ market that is looking only for lower pricing. That’s a good time to ‘bail’ and pursue a different market.”

Uncover customer outcomes. Steve Jobs makes a good point when he says you can’t just ask customers for “the next big thing.” But the next big thing is the “solution,” which is supposed to be the supplier’s area of expertise. The customer’s area of expertise is the “outcome”—*what* they want to have happen or *what* they want a new product to do for them. They don’t know *how* to make it happen. They just know they need it to happen. When you find out what kind of outcome your customers want, you can provide their solution.

“Let’s pretend for a moment that Steve Jobs did do market research before he developed products,” says Adams. “And in doing that research, let’s say he interviewed potential Apple customers and uncovered the following outcomes:

1. I want to search a broad range of music.
2. I want to instantly purchase music.
3. I want to purchase one song at a time.
4. I want to transport music wherever I go.
5. I want to store my music on multiple devices.
6. I want to organize my music, so it is easily searchable.

“Knowing that these are the outcomes his customers wanted, what kind of products should he develop?” says Adams. “Perhaps something that looks like iTunes and the iPod. I use this made-up scenario to illustrate how the outcomes you hear from your customers might translate into new products. Once you know what outcomes your customers want, you can begin to develop a product that delivers them.

“Research shows there are 50 to 150 customer outcomes for every job your product is hired to do,” he adds. “And the reality is that talking to customers and uncovering these outcomes actually helps your team be *more* creative. For example, it’s likely your customers will reveal an outcome they need that you and your team might never have thought of without their input.”

Don’t “just ask” customers. When you ask customers for their outcomes, get creative. You need to really get your customers thinking and talking. In-depth. One- or two-sentence answers will rarely give you the information you need—and that’s what you’re likely to get unless you know how to probe.

“You can encourage customers to dig deeper using interview methods similar to those we developed at Advanced Industrial Marketing,” says Adams. “For example, we have special ‘trigger methods’ to get them out of mental ruts. We have fresh ways for probing their responses. And we have unique observation and customer tour tools to let you see exciting new opportunities.

“When someone says, ‘Don’t just ask customers what they want,’ it doesn’t mean you should isolate yourself deep within the bowels of your company to *guess* what they want,” he adds. “It means you should get innovative about ways to enter your customers’ worlds and understand the needs they cannot easily articulate on their own.”

Prioritize customer outcomes. What will customers richly pay you for? Only for delivering outcomes that are *important* and currently *unsatisfied*. That’s why Adams advises clients to get quantitative—to ask customers to rate how eager they are for certain elements of a new product. For example, you might ask on a scale of 1-10 how important it is to “search for a broad range of music.” Then ask that same customer to rate, on a scale of 1-10, how satisfied they are today with their ability to “search for a broad range of music.” Then focus your product development on outcomes that scored high in importance and low in current satisfaction.

“Most suppliers fail to ask these quantitative questions,” says Adams. “The result is they miss two critical points: The first is that it’s a mistake to let your engineers and scientists work on answers to questions customers don’t care about; secondly, to a certain extent, we all ‘hear what we want to hear’ in customer interviews, so *quantitative* data is needed to drive out internal bias and wishful thinking.”

Take advantage of the profit motive. Many B2B suppliers completely overlook an enormous advantage they have over consumer-products companies such as Apple: the ability to *measure* value delivered to their customers. How do you measure the “coolness” of a tiny iPod, the convenience of a fast music download, or the bragging rights of owning the latest iPhone model?

But the B2B supplier’s world is different. “I’ve helped B2B suppliers in hundreds of industries,” says Adams, “and their customers are usually in the business of making money. B2B suppliers can help their customers make *more* money by improving their processes and/or their products. If suppliers are willing to work at this, they can often measure or predict how a new product will let customers a) reduce costs, b) sell higher volumes, or c) sell at higher prices.

“Tools such as value calculators allow attentive B2B suppliers to understand the value their customers will receive from their new product,” he adds. “This teaches the supplier how to precisely ‘tune’ the design of their new product, how to price it, and how to promote it. This may not be as much fun as a new touch-screen phone, but it’s great for the supplier’s bottom line.”

Get creative with the solutions. Truly hearing the voice of the customer is necessary, but not sufficient. Here’s where you can and should emulate Jobs and his team at Apple—in the creativity department. Jobs doesn’t just encourage innovation; he requires it. He wants Apple employees to take risks, give feedback, and constantly think outside the box. Basically, creativity is a must.

“Once your team knows the outcomes customers care about, they need to focus all their creative energy on finding the solutions that *result* in those outcomes,” says Adams. “This is best done by engaging as many of the right minds as possible. But remember, this often means engaging those who work *outside* your company.”

“I leave you with a sort of caveat,” says Adams. “The new product development process that I’ve laid out might look neat and orderly, but in fact, it is often like a messy kitchen as the meal is being prepared. It won’t be unusual during the process for your scientists to invent great new technology *before* finding a home for it—think Post-it® Notes or Scotchgard™. Do you just leave those products quivering on the lab bench since customers didn’t ask for them? Absolutely not.

“Conduct interviews in promising market segments *without mentioning your technology*,” he concludes. “If customers give you outcomes that are a good match with your technology, that’s wonderful! Otherwise, look for different technology for that market...or look for another market if your mandate is to find a home for this technology. Give your new products the best chance possible to help you prosper. If you are a B2B supplier, a good start is to enter your customers’ world so you can understand it as well as Steve Jobs understands what he wants in his next phone.”

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About the Author:

Dan Adams, president of Advanced Industrial Marketing, Inc., is author of *New Product Blueprinting: The Handbook for B2B Organic Growth* (AIM Press, 2008, ISBN: 978-0-9801123-4-4, \$35.00, www.newproductblueprinting.com). He is passionate about B2B new product development. In over 35 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. An award-winning speaker, he is a guest lecturer at Wharton’s Executive MBA program and trains in every region of the world. Adams was head of strategic planning for a billion-dollar company and has extensive experience in Fortune 500 marketing, business development, and leadership positions. 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, www.newproductblueprinting.com) is available at bookstores nationwide and from major online booksellers.

For more information, visit www.newproductblueprinting.com.