An Exchange on The Politics of Radically New Products

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Walter Derzko

I've seen little discussion on the innovation and creativity that is needed to launch radically new products, once they are conceived and developed. It's a stage that in many cases I believe requires as much or even more creativity and ingenuity then at the NPD or stage/gate process.

According to a former 3M employee, who I meet at a recent Creativity Consortium meeting, Post-it notes may not have hit the market had some stubborn people at 3M not decided to further pursue testing market demand after the non-sticky glue proposal was initially rejected by senior management. According to the story I was told, thousands of post-it note samples were sent to executive secretaries of the leading Fortune 500 firms across the USA. Once they ran out, they called 3M to re-order a non-existent product. Complaining to their bosses, conversations quickly followed between the CEO's of some of the top firms in the USA and senior management at 3M, who retreated on their initial decision and quickly became convinced that this could be a market winner. That's exactly what the backers and champions of the Post-it note project were counting on.

A Belgian company who designed and developed a radical new ergonomic design for a tennis racket that prevents and reduces tennis elbow, did not have the million dollar endorsement budgets to pay top line tennis players to use and showcase their rackets. After sagging initial sales, they instead switched tactics and started to market their racket to therapists and doctors who regularly see patients with tennis elbows. A medical endorsement went further then a sports endorsement, which was too expensive to buy.

The damage from the recent ice storm in Quebec and Northern USA could have been prevented had utility executives decided to invest in the technology that can detect ice and snow build-up on Hydro wires and naturally melt it. (Since all power lines "leak" power and heat, why not take advantage of the phenomenon and control it to prevent ice build-up). Of course the reason why this technology is not used by Quebec Hydro, is the high extra costs. What should have the University researchers who invented this technology done differently to sell the idea ? The diagnostic company that tried to sell the Canadian Red Cross the technology to detect HIV antibodies in blood early in the outbreak stages of HIV, faced the same "early in the market" dilemma.

Would list members care to share some of their success and failure (lessons learned) stories about the politics of launching radically new products and the creativity needed to do it.

Melissa Schilling

I have done some research on factors driving success and failure of technology offerings, and found that for emerging technology markets (radically new technologies), the capital and credibility played major roles in their likelihood of success and failure. Often the firms who

survived were simply the firms who could afford to do so--not necessarily because they had any technology advantage. However, several small/new firms overcame this problem through organizational linkages. For example, a couple of firms in the sample bundled their products with related (or complementary) products offered by a large, established firm--thereby rapidly increasing their market distribution, and often tapping the marketing resources of the larger firm. Also, because of "halo effects," the smaller firms were able to tap the "credibility" of the larger firms as well. Other firms formed joint marketing alliances, equity-for- capital exchanges, etc. Since your product is software (and thus I'm assuming, has very low variable costs as a ratio of fixed costs), you might also consider building your installed base (and thus market awareness and brand equity) by giving your product away for free to key intermediaries. For example, why not give it to business schools (no, this isn't a ploy for free product!) so that students can become familiar with the product, and take that knowledge with them to their future employers? Even better--perhaps you can get your product adopted in executive education programs.

Relationships with other, larger organizations may solve some of your problems. Good luck, and let us know how it goes.

John Fritz, Entergy

A good article on this subject "New Ideas About Idea Killers" by Shira White, can be found in the PDMA Visions magazine April 1997, pgs. 22-25.

Ability to Learn and Think (Volume 5, number 15)

Andrew Crosby

As my "learnings" and opinions converge late in my career, I fully agree with Joe Magid's bottom line: "... what is truly important ... is the ability to learn and the ability to think." Implied objective: tomorrow's typical employee/entrepreneur will have these abilities in generous amounts. Not a novel idea, but critically needed -- so how do we get from here to there?

The Problem.

Let me list a few problem-causing and problem-leveraging factors and take a little excursion outwards from each one, then try some proposals for achieving the objective: (1) the anti-intellectual bias in our culture; (2) the human tendency to deny complexity and seek comfort; and (3) the dominant adversarial model for success. I will use shorthand (including references to personages, hopefully illustrative, no offense intended) to suit our cyberspace medium here.

1. Anti-intellectualism - epitomized by ... take your pick. How about the TV ad: "... I don't need any (sneering) "doctor" to tell me what works for me;" And as Ted Gerson said (same I.M. Network issue) "... the audience for ideas and concepts is even more limited."

2. Denying complexity - epitomized by Ronald Reagan, a fine gentleman responsible for reinforcing, in a highly visible and crowd-pleasing way, the idea that an incredibly complex task, such as serving a huge citizenry, can be reduced to focusing on a few "must-do" essentials (in the view of a certain ideology) and putting a comfortable face on the inevitable negative fall-out elsewhere. Current version seen in the workplace when people are confronted with many variables and data: "My head hurts/is full" -- then somehow, the subject gets changed, and issues are ignored.

3. The adversarial model - seen most clearly in the law, and sports; epitomized by Vince Lombardi, a fine gentleman responsible for reinforcing, in a highly visible and crowd-pleasing way, the idea that winning at all costs is the only way; better than, say, the "elegant solution" where the most problem is solved using the least resources. And this reinforces a gladiator metaphor taken by many to apply in any of life's pursuits. Current version: "We're not here (Nagano Olympics) just to take (sneering) "silver" (This proposed advertising theme was rejected by the Olympic Committee -- they said something about "spirit").

Proposals

With these sources of the problem in mind, some of the listed EDINEB themes for paper presentations are picked out below and played out as possible solution levers.

A. Make it experiential and problem-based. Challenge, expose and demonstrate whole-person involvement in the problem. Expose also the points in the process where problem sources # 1, 2 and 3 pop up their ugly little heads. Also design the scenario to reveal the factors and dynamics listed in the next item below.

B. Learn, and teach others, to recognize flexible and creative behavior. This kind of behavior is the payoff, the visible part of the iceberg, of the more basic thinking and learning skills. De-mystify it. De-snob it; what does "intellectual" really mean? Value it. Explain to the employee what it will mean in the ol' paycheck. It's about a mind-set. Learning to be secure in oneself because you have developed self-discipline and inner reliance on your thinking and learning tools; helping people understand how their mind works; the difference between convergent and divergent thinking; the masculine and the feminine; the taboo and how we deal with it; conformity and how it affects us; the link between internal behavior (learning and thinking), displayed behavior, and practical results.

C. Reward it -- pay and promote for desired behavior. Aha, we just mentioned this. Reward creative solutions and identifiable intermediate products that are the building blocks and breakthroughs to the needed "marketable" solution (internal to your organization, or directly to a client) to the business need or problem. The flip side of this is, stop rewarding "gladiator" behavior. In the information technology world, it's called "the hero syndrome." Really complex software development projects are often hopelessly bungled by the logically-needed team (too many organizational problems nobody knows how to solve -- that shortfall in thinking and learning skills again -- of course, I/O psychologists think they have some approaches, but that's another story), and are salvaged by rare "heroes" who

work in mysterious ways. Keep rewarding them and we'll never get anywhere; we won't understand how to prepare for, predict and control performance.

D. Learn from others. In our country, we were eager, for many good reasons, to reject Old World values in favor of frontier values.

It almost seems that we've developed an indifference to the way others live their lives, except as a curiosity, as in "...it's good to be back home." But maybe we can deliberately and specifically transfer some learning. In France, I was with a family who, when they got back home from a restaurant, went to reference books to find out the Latin biological name for the fish they had just eaten; they wanted to relate it to other varieties they knew about. And with another family whose teen daughters hurriedly left the after-dinner conversation to take down dictation from a TV program broadcasting a national competition on excellence in the use of language. Why? How does the educational system influence this? In Britain, a phrase heard in casual, problem-solving chat among technical employees (that I've never heard in North America) is, "... well, working from first principles ..." These people trust the fundamental tools they learned early in their training/education to come through for them in tackling a new problem. So must we: are our thinking habits, and thinking tools the same? As good?

The starting premise for all this was a need to shape our school and university experiences to result in the desired skill-building. Could any of the above be translated into effective classroom and workplace practice? Note that the nature and logic of the thing suggests a single, seamless environment (classroom/workplace, university/business). That's another thing we have attempted in a number of ways (I was a work/study engineering "co-op" in the 1950's), but where new mechanisms might pay off.