

Growth Challenges

Everyday challenges companies face that impede growth



Failure to Launch

To me, ideas are worth nothing unless executed. They are just a multiplier. Execution is worth millions. – Steve Jobs

Every company that wants to grow must have the desire to be different from their competitors and use innovation as a process to get them there. Whether looking for something to offset losses or grow a market position, innovation is the means to establish new revenue streams. It provides a point of difference from competitors and becomes the reason why customers recognize a company and ultimately make a purchase. If there is no difference from one company's offerings to another then the chances of being recognized decrease dramatically. Worse case, the customer makes a purchase decision based on who has the lowest price because they are unable to disseminate one from the other. This lack of difference turns the company, as well as the competitors it mimics, into commodities.

Innovation fuels a company's growth but bringing it to life requires more than the spark of brilliance incepted from the mind of a single soul. While it can start from an idea, it is formed from a disciplined aligned team. When aligned and collaborating, this team translates the idea into a solution using knowledge about the customer's unique behaviors. However, pressure to show results and meet the company's demands can cause a type of reaction that affects the company and people tasked with this responsibility.

This pressure can come in different forms. For the company who has an established history, there can be an undercurrent of risk aversion. This makes them over analyze the entire process slowing down their ability to achieve the innovation they seek. For the team faced with developing the innovation, timelines, budgetary, process and resource constraints can slow down if not paralyze their ability to do what they are tasked with. On one hand the company demanding results is letting valuable time go by while competitors move into position and possibly cause market share to be lost. On the other hand the team is reacting to the company's pressure from it losing ground and are forced to show a quick result. This can cause them to act without research and strategy impacting the team's ability to bring forth innovations that fit what the customer needs.

The company needs to grow and operate efficiently and the team needs to perform and show results. Their relationship is symbiotic. If this balance is off, so will their

abilities to achieve the goals both want to reach. The result is the company loses market differentiation, fails at acquiring and retaining customers, gives competitors' the edge, fails to innovate and most importantly suffers from a business that isn't growing.

When a company is reacting this way the affect is called "Failure to Launch."

The Face of Innovation

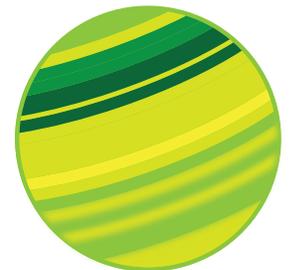
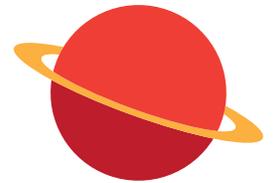
Innovation can come in different forms. While many look to it as a way to generate new products, it can go beyond coming up with a new solution. This form of innovation can sometimes be the hardest and most costly aspect of growing a company, but also the most rewarding. Alternately, innovation can come from taking an existing product and finding a completely new market for it. With this the innovation comes from tailoring and positioning the existing solution to the needs of a new customer in way that benefits their specific industry requirements.

Innovation can also come from reconfiguring a solution by changing the revenue model, which may be based on a singular transaction to one that is an annual membership or vice versa. In this example changing how the customer transacts to acquire the solution may suit how they need to amortize costs to meet financial requirements making them more apt to purchase. Innovation is also the act of simply recognizing the opportunity to expand a product portfolio without exerting any energy, but rather finding the right company and/or products to acquire. In all cases innovation is most successful when time is spent understanding what challenges the customer faces or areas of dissatisfaction they have with other solutions.

Causes that Impede a Successful Launch

1st Cause: Innovating without Customer, Competitor and Market Insights

One of the primary causes of "Failure to Launch" when trying to develop an idea, reconfigure an existing product or make an acquisition is attempting any of the three without enough insight to guide the way. A company that acts in this manner is often feeling pressures from external situations and the ticking of the fiscal year clock.



Speed to market becomes the goal and possibly the problem. This can be the single biggest reason why innovations are brought to life “half-baked.” Sometimes these pressures are not company posed but department driven set fourth by managers with the belief it will motivate a successful outcome or have their own agenda. In either case the result is a company relying on intuition and past history as a means to formulate the next innovation. This of course is operating with an internal mindset and often does little to advance a market shifting idea or establish a reason for the customer to stand up and notice.

This cause creates two types of situations. If the solution loses momentum, after launching and doesn't hit the target it will blow up in the atmosphere of forgotten ideas. Yes, some solutions can squeak by but often require additional features because the company failed to recognize specific needs of the customer and must make changes. The second has to do with the company's tolerance for risk of unsupported ideas. If the final decision makers who are tasked with pressing the launch button don't have enough evidence to support the idea, the company's willingness to apply appropriate or even any funding will likely diminish. The company may continue to stall and wait too long before making the needed decision. Therefore the idea sits on the launch pad collecting dust. The real disappointment comes when a competitor easily launches the same idea some time later having the success the original company sought.

The solution:

A company must acquire as much insight as possible about the target customer, the competitive landscape and those in comparative industries with transferable relevant offerings. This information is invaluable to ensure an innovation can either become a product desired or dismissed avoiding lost time and investment dollars. Acquiring critical customer insight doesn't have to be a massive research undertaking. With the advancement and ease of fielding surveys, tapping into social media conversations or simply engaging current customers with account representatives, a company can obtain this knowledge easily. This will guide them to understand how their target customer thinks and what they are looking to resolve sparking an idea and giving the innovation more credence.

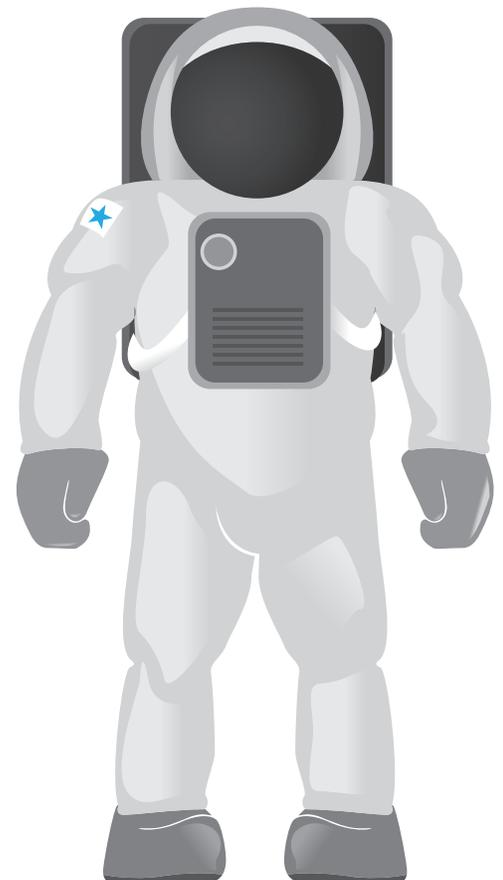


Thoroughly evaluating the competitive landscape and companies in other industries with similar ideas will enable a company to determine if a competitive innovation is further along. If a competitor has a similar solution the innovating company obviously can't provide a me-too solution. It must have a differentiating purpose, not just a different feature trying to support its reason for being.

Reviewing comparative industries can inform a company of a possible opportunity or raise a flag for the company not to proceed. If a company in a different industry has an innovation that is transferrable to the first company's market two events will likely occur. The first company can take advantage of the comparable company's efforts by partnering or possibly acquiring the solution/company to bring into their market. This eliminates the cost of product development and overcoming some level of uncertainty about the effectiveness of a new product. The comparable company has proven their solution works and has established a market for it. The first company uses its equity, customer base and credibility in its own market to get customer adoption of the new solution.

A flag is raised for the first company to halt product development if their solution is too similar to the comparable company and the comparable company is looking for new markets to enter with their solution. If the comparable company has shown signs of exploring the first company's market, this may be the beginning of their New Market Development Strategy for them. The comparable company looking to grow their business may consider bringing their existing solution into the first company's market. At this point the first company can determine the likelihood of the comparable company's success attempting this. This can inform the first company to halt development of their idea if the comparable company looks like they will have the advantage.

To overcome the first cause of "Failure to Launch" is to research the customer, competitors and companies in comparable markets. This step can be the difference in bringing a good idea to market or losing investment dollars on a failed innovation.



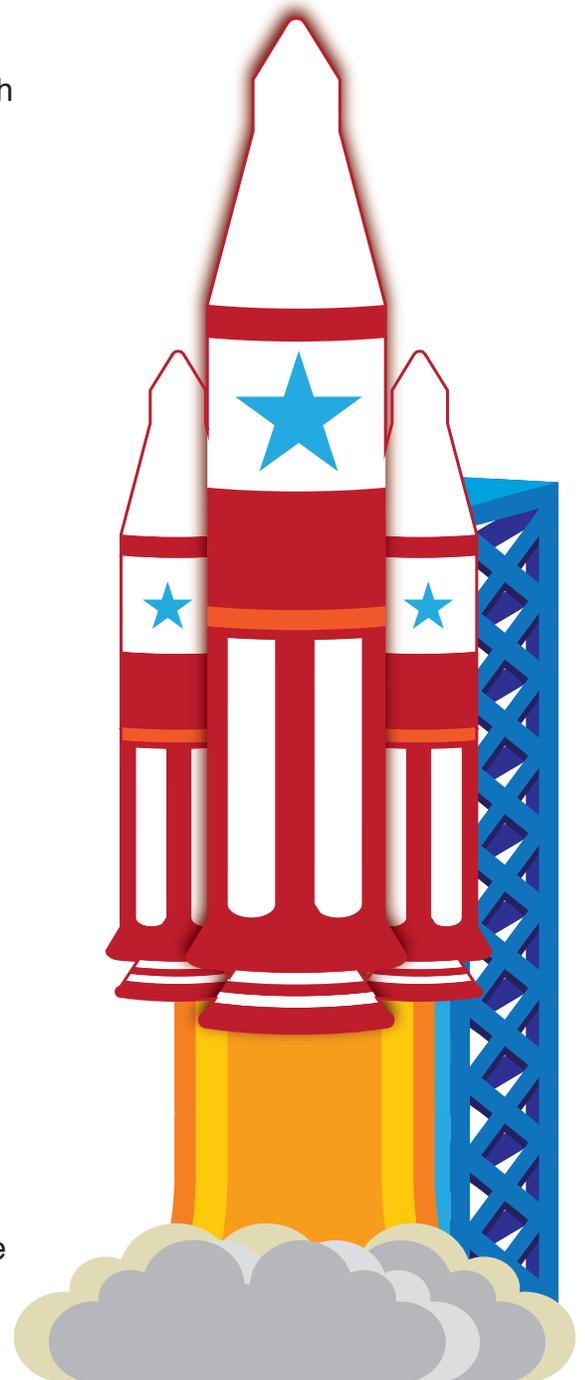
Cause 2: A Misaligned Team, Company and Internal Process

The second cause of “Failure to Launch” is internally driven. As companies work aggressively to bring new ideas to market their organization must be aligned in every part of the process to avoid missteps. This means there must be an effective internal process that generates, evaluates, selects and develops new ideas. It is common for some organizations to compartmentalize this responsibility within a select group of individuals. If this group is not connected to other departments especially those externally facing, there can be a missed opportunity to obtain the latest market insight. Additionally, if this group does not have an understanding of the company’s short term and long-term goals or potential market shifts, what they develop may not be prudent or relevant for the future. Product Strategy cannot operate within a silo and must have a defined process by which key company influencers engage to bring forth the best ideas.

The solution:

The most important part of solving this cause is to first establish a process. Companies that conduct product strategy or operate a product development department without a formal process, put themselves at risk. What often occurs is miscommunication about areas to explore and invest in and individual agendas drive final outcomes. A formal process keeps the team on the same page and makes it easy to understand where in the development process an idea is. These product strategy processes do not have to be complex in nature but must have key milestones by which ideas are vetted properly.

The second way to overcome a team and company’s misalignment is to make sure the individuals responsible for innovation development have connections with supporting departments. If they operate separately, again individual agendas can drive the final outcome influenced by the belief of one or a few members of the team. This is when unnecessary costs begin to accumulate, workload and focus become an issue and more hope than credible research determines the chances of the solution being successful. A team aligned to a



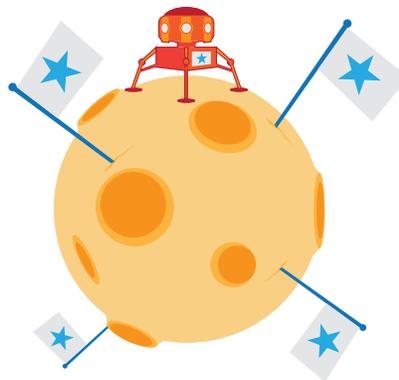
process, one another and participating in open dialogue improves their chances of managing whatever workload exists, vetting the best ideas and bring to fourth a solution that will positively effect the company.

The most critical aspect of ensuring the team is aligned to the company is placing the right employees in the right seats. A practitioner of effective product strategy will support their ideas with sound logic, supporting evidence and a deep understanding of the business operations and objectives.

Solely relying on someone who can generate ideas without a pulse on the market or the discipline to find reason for their thinking again will drive up unnecessary cost. If they have only a small comprehension of the company’s business goals or long-term objectives there is a higher than probable chance they will fail. The worst case for companies that have individuals like this is lost time which can often be more valuable than the initial investment.

“Failure to Launch” is not an uncommon problem in many companies. The ability to continually innovate is one of the hardest disciplines any company faces in today’s highly competitive world. It requires a significant expense, a disciplined team and the willingness to invest time in a solid process to obtain results. Even with these in place, it still does not guarantee success, but can get you closer than shooting before you aim.

If you suspect your company is suffering from “Failure to Launch” we can help. Our team can help you develop the right internal process, evaluate current efforts and plan for future innovations to help you differentiate in your market and position you ahead of your competitors.

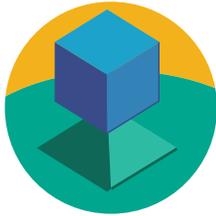


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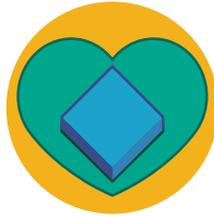
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Inventis Strategies partners with Mid-Sized Companies to overcome flat or negative growth due to revenue and customer decline. We solve problems in the critical areas that create sustainable growth:



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**If you're interested in learning more about how we
can help your business grow, please contact:**

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