



Product Development

If you build it, will they come?

The Classic Scenario:

It's time for something new. Perhaps a competitive product has hit your market or your client is changing and has different needs. No matter the inspiration, talk of new product development always inspires perspiration. You are excited about your shiny new goal, but you quickly realize you do not have a dedicated product development team, budget or standard methodology. Your dreams quickly descend from building it, to buying it, to borrowing it.

The Classic Solution:

Constraints lead you away from the path less traveled and you decide you just need to recreate the competitor's concept and get it in your clients' hands as soon as possible. You assemble a cross-functional team to develop and execute your product development plan and you borrow a bit from each of their budgets to pull off the job. In 90 days, you'll have a "new!" product to market even if it's devoid of bells, whistles or a unique spin.

The Classic Problem:

While imitation is quite often a successful alternative to innovation, it doesn't mean it's easy. Without a product development methodology, your team will be "stabbing in the dark" at their target. Their missteps will result in higher expenses, delayed time lines, and the loss of important product and service features along the way. Worse yet, when your development team is confined to someone else's blueprint, nothing is making your new product uniquely "you". Your existing clients may still be delighted at its introduction, but it's not likely to stand the test of your broader untapped market.

A General Case Study:

Product development looks a little different in every industry, but the core concepts remain unchanged. A current topic in one of our industries of expertise is financial service(s) development for business clients. Community banks and credit unions are under increasing pressure to reach out to the business market and fulfill service gaps left by larger institutions. However, offering a business loan product is simply not enough. Capturing this client means catering to the entire relationship. A quick scan of the market tells us this means deposit services, electronic services and a personal banking contact need to be wrapped up in the bundle.

Community banks and credit unions typically do not have product development teams or vast financial resources. So, in the face of such a daunting product build and launch, they often resort to the phased approach. Maybe the business checking account becomes available prior to the online payment system. Perhaps the standard business loan becomes available before the business credit card. Either way, you may already recognize the problems in rolling out this "new!" product line; unless the message is, "we created a product for you...kind of."

Once you've lead with a generic product offering and no hook to reel them in, you are making the job twice as hard for phase two. Getting your market's attention once is a challenge; recapturing it after you've lost it is rumored to be impossible.

The question isn't "if you build it, will they come?" it's actually "will they come back?"

The Expert's Perspective on Product Development

Millions of new product ideas are born everyday, but only some of them make it past the drawing board. The Harvard Business Review shared their scholarly insights into the common kinks in the product development process. Overworked employees was at the top of the list. When it comes to product development, less doesn't mean more. As Stefan Thomke puts it, "We have seen that projects' speed, efficiency, and output quality inevitably decrease when managers completely fill the plates of their product development employees - no matter how skilled [they] may be." This doesn't mean you can't get a new product to market with a small team, but it does mean you need to prioritize their projects and ensure their workload is reasonable during a new product development project.



Amplify the Message:

Over-extended teams will produce under-whelming products, regardless of talent.

The experts at Harvard also recognize that we ask our employees to innovate under great constraints. Our small teams with even smaller budgets can't afford to dream big. "Demanding that teams get it right the first time just biases them to focus on the least risky solutions." Bold moves can result in better results, especially if you are hoping to forge new market share with your new product. New messages hit the air-waves every second and consumers are on product overload. Launching a new, successful product is increasingly difficult each day because you need to rise above the noise. The California Management Review focuses on such strategic issues, David Aaker provides this well-stated advice: "The stability of brand positions in nearly all markets is simply astonishing. Even dramatic changes in marketing budgets, programs and incremental offering improvements have little impact. If market momentum is to be disrupted, it is necessary to generate offerings with "must haves" that will define new categories or subcategories that can render competitors irrelevant for an extended time." If you can't invent the next best thing, you still need to do it in the next best way if you are going to attract market share.



Amplify the Message:

New products must offer the market something new or deliver it better.

Another critical product development mistake is waiting to involve your marketing team until you are ready to launch. If your marketing team's only responsibility is rolling out your first campaign, you've already missed the mark. According to the Journal of Marketing, marketing responsibilities should start before the development and include market trend analysis, opportunity assessment, market research, segmentation and product positioning.



Amplify the Message:

Your marketing team is crucial before, during, and after product development.

in-FUSE Your Solution:

Managing a new product development process requires time, resources, and expertise that aren't always available within organizations. Even the most talented staff needs support, and the partnership of a trusted consultant can provide just what you need. in-FUSION group possesses executive-level expertise in project management, new product marketing and new product sales. We can provide you with strategic guidance, as well as human resources to complete your project. Don't constrain innovation and settle for just another product. If we build it, we'll make sure they come!

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Smart People We Quoted:

- 1)Ernst, H., Hoyer, W. D., & Rübsaamen, C. (2010). Sales, Marketing, and Research-and-Development Cooperation Across New Product Development Stages: Implications for Success. *Journal Of Marketing*, 74(5), 80-92. doi:10.1509/jmkg.74.5.80
- 2)Thomke, S., & Reinertsen, D. (2012). Six Myths Of Product Development. *Harvard Business Review*, 90(5), 84-94.
- 3)Aaker, D. A. (2012). Win the Brand Relevance Battle and then Build Competitor Barriers. *California Management Review*, 54(2), 43-57. doi:10.1525/cm.2012.54.2.43.