

# QDI STRATEGIES

20/20 Vision for Marketing Breakthroughs

## Overcoming the Odds: A GM's Product Commercialization Insurance Policy

By Michael Barr, Principal



Michael Barr is principal with QDI Strategies, Inc. For the past 20 years, he has worked with high tech and mature industries to sell products and services into U.S., European and Asian markets. He specializes in business-to-business marketing, driving commercialization of new technologies, product development, brand management, pricing, communications and channel distribution.

Bringing a new product to market is one of the most costly and risky activities any GM will face. Voice of the customer research and stage gate reviews have improved the odds to achieve success; but do they go far enough? Three important tasks are frequently overlooked even though they offer the ability to identify weak links early on. So, how can you overcome the odds? Arm your team with a three-step commercialization insurance policy designed to identify and assess risks.

### Create a Purchase Process Map

As soon as you have a design concept, create a purchase process map. The purchase process map is a powerful tool detailing every aspect of the buying process. Voice of the customer research provides great insight into customers' needs but falls short. A successful launch requires more than a winning product. The purchase process map drives the development of sales and marketing activities by defining what motivates customers to buy.

Use the purchase process map to identify everyone involved in the sale by asking key questions including: Who orders the product? Who inventories the product? Who will use the product? Who influences the decision to buy? Who controls the budget? Who will dispose of the product? Learn all the players who have the power to impact your launch.

The purchase process map is an outcome of buyer behavior research. Many marketers make the mistake of assuming they know the buying patterns of their customers or that similar products will be purchased by customers in the same way. To reduce risk, strategic launch decisions must be based on facts not assumptions.

For example, a cement additive manufacturer identified a fiber that produced a strong, finished concrete product. Voice of the customer research demonstrated both architects and design engineers had applications that would benefit from the

***In This Article:***  
*Learn how to turn a new product into a new revenue stream.*

# 20/20 Vision for Marketing

added strength. However, the purchase process map revealed before an architect would specify the product, he needed an example of its use in a similar application. By identifying this roadblock at the development stage, our marketer was able to create case studies before the product launch. Had this insight been overlooked, the sales force would have been blindsided by requests for references – stalling early sales efforts. This type of costly mistake can take six months to a year to correct; and in today's market, that's the difference between becoming a leader or an also ran.

## **Use a Beta Unit to Secure Customer Commitment**

Traditionally beta units are used for testing both internally and by potential customers. Beta units also gauge potential interest in your new product and provide valuable feedback on the financial aspects of the purchase process.

Although it may be impossible to sell a beta unit, customer commitment can take many forms including:

- Paying a fee for using the unit (leasing)
- Paying for the installation and removal of the unit
- Paying for collecting data
- Paying for shipping
- Agreeing to purchase a production unit when available
- Agreeing to be used in advertising and promotion as a test site
- Agreeing to provide a written analysis of the unit

Loaning out a beta test unit gives you feedback on use of the product. Making the customer spend money or sign a commitment, gives you the ability to cross check your purchase process map.

In our cement fiber example, selling some beta fibers revealed the architect may be responsible for selecting the type of cement additive, but the building owner has the final say in the decision process because he controls the budget. This knowledge gave the commercialization team the ability to address another purchase process need and eliminate a possible roadblock before the product launch.

## **Conduct an Autopsy of the 3<sup>rd</sup> Sale**

The autopsy validates the effectiveness of your sales and marketing program. For every item on the purchase process map, you should have a corresponding sales or marketing activity. The autopsy verifies whether each of these sales and marketing tools actually delivers.

In our example, the fiber additive manufacturer used the autopsy to test the effectiveness of case studies and sales presentations targeting the architect, advertising to educate building owners, spec sheets for engineers, and on-site guides for crews. Weak links in the marketing program were singled out and corrected.

Failing to address key customer needs can impede the adoption process. If you have an enthusiastic sales force, the buyer loves the product, sales calls are going smoothly and suddenly orders slow down or don't come in at all, you're in trouble. The sales force and the distributors won't waste their time trying to analyze why the product isn't selling. They'll simply turn their attention to selling other products. When the sales effort stalls, you lose momentum, and it's much harder and more costly to get your new product back on track. To save money and improve performance, use the autopsy to identify any roadblocks that could jeopardize your entry strategy.

## **Overcoming the Odds**

The stakes are high ... your reputation and your new product's success are both on the line. Don't risk losing your product leadership position because you overlooked something in the launch plan and execution. Use the three-step commercialization insurance policy to identify obstacles that could threaten your success. To avoid mistakes, ask your team to show you:

1. A purchase process map
2. A customer-signed beta unit commitment, and
3. An autopsy of the 3<sup>rd</sup> sale

By addressing and eliminating barriers early on, you can overcome the odds and turn your new product into a new revenue stream.

# Marketing Breakthroughs

## About QDI Strategies, Inc.

QDI Strategies is an international marketing consulting firm with a reputation for achieving results. We use our insight, proprietary tools and marketing expertise to drive the creation of actionable strategies. For more than 17 years, our consultants have helped leading businesses across a diverse group of industries reach their goals in four key areas

1. New product Strategy/ Market Entry Strategy
2. Segmentation Strategy
3. Channel Strategies
4. Growth Strategies

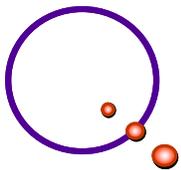
We've built a reputation for developing strategies that work. (Don't take our word for it, that's what our clients say.)

## For More Information

For a detailed list of our capabilities and practical examples demonstrating how we can help your business grow, please visit our website at

[www.qdistrategies.com](http://www.qdistrategies.com).

If your marketing issue needs immediate attention, call Mike Barr at 847-566-2020. Ext.225.



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