

# S 2 I NEWS

Sept-Oct, 2004

*S2I News* is a bi-monthly publication of Strategies 2 Innovate. It aims to present information on topics important to today's business leaders. We hope these articles will help you develop a clear framework useful for guiding your organization's innovation and strategy.

This new series examines the Innovation Pentagon™ framework introduced in the last series discussing challenges organizations will face over the present decade in the area of innovation.

**Strategies 2 Innovate** works with business leaders to make their organizations thrive. Our approach is based on our Innovation Pentagon™ model. Read about us and visit our **knowledge portal** at the web address below, or call us toll-free at 1-877-978-8242.

**Sign-on** for this newsletter using the sign-on button at our web-site home page. To request our capability brochure, send an email with "send-brochure" in the subject and full contact details in the text.

info@strategies2innovate.com  
www.strategies2innovate.com

Copyright 2004 Strategies 2 Innovate.  
All rights reserved.

## The Innovation Pentagon™ & Product Strategy: Pt2

Product Strategy is one of the five cornerstones of our *Innovation Pentagon™* framework. In the context of this discussion, we use the term product strategy to mean both tangible "products" as well as "services." In the last issue, we discussed some key areas of product strategy including: core strategic vision, the role and goals of product development, market arenas, market entry approaches and the distribution of development spending.

In this issue, we will finish off by highlighting some key characteristics of successful products and how to increase the likelihood of adoption. A product will be successful if it is perceived by the customer as having real value to him/her. This can be achieved by<sup>59</sup>:

- Offering unique features that the user wants.
- Delivering unique benefits to the user.
- Having highly visible benefits.
- Being differentiated from other products or services in the marketplace.
- Being the first of its kind on the market.
- Meeting the user's needs better than competitive products or services.
- Solving problems that the user may have with alternative products and services.

- Reducing total in-use cost to the user.
- Providing better quality than other products or services.

Truly superior differentiated products that are wanted by the market will almost always succeed (98%) and will contribute greatly to organization's profit<sup>59</sup>. Winning products offer a "bundle of benefits" which users value enough to pay for.

The challenge, then, is to understand the user's needs and wants very clearly and this can be achieved to some extent, in the case of existing product/markets, by market research and obtaining continual feedback from users of your products and services.

Asking the customer why they chose your product/service, why they like your product, if the product meets their needs, what they would like to see improved in your product, how they see your product as being different from competitors, etc. This is essential work for developing and maintaining a winning product, since most marketplaces are crowded with competing solutions.

But what are some ways to get buyer's attention and increase our chances of having our products and services adopted by them in preference to others. One answer to this question comes from technology diffusion and

*(Continued over page)*



**LARRY VAN DEN BERGHE, Ph.D.**

Larry van den Berghe is the Founder and Principal of Strategies 2 Innovate. He has 20 years international experience in the aerospace and information and communications technology industries in England, Australia, Singapore and Canada. He has been an active manager and contributor in R&D and new product development in electronics, VLSI and software. He holds two US patents, one UK patent and has a number of publications. He is a Chartered Engineer (UK) and a Fellow of the Institute of Electrical Engineers.

Larry is also an adjunct professor for the Management of Technology @Distance graduate program at the University of Waterloo and a past faculty member with the Technical University of British Columbia. He has developed courses in new product development, strategic management of innovation and technology, entrepreneurship and knowledge management. His recent research on core competencies examined the adoption of emerging technologies for product innovation within the Canadian information and communication technology industry.

He holds a Ph.D. in Management Sciences (Management of Technology) from the University of Waterloo, an M.Sc. in Microelectronics (with Distinction) from Middlesex University, London, U.K. and a B.Appl.Sc. in Applied Physics from Curtin University, Perth, Western Australia. Larry has served as Chairman, Board of Directors, serves on the Education Committee of the Saskatchewan Advanced Technology Association and is a member of a Toastmasters International Club.

*(Continued from previous page)*

adoption theory. This body of knowledge examines the attributes and characteristics of new technologies (i.e., new products) and seeks to correlate them with the probability of adoption of these technologies in the marketplace.

This area of research has uncovered seven key qualities or characteristics associated with technologies that are readily adopted in the marketplace<sup>35</sup>:

- Increasing the perception that your product offers better advantages than those currently available.
- Ensuring that your product is compatible with users' needs and values.
- Increasing the ease with which your product is used.
- Avoiding the perception that your product is complex to understand.
- Providing the opportunity for users to access the technology on a trial basis.
- Increasing the opportunity for your product to be seen by users.
- Increasing the opportunity for the results/benefits of your product to be observed by potential adopters.

What you can do right now is to spend some time evaluating your current and planned key product/service offering in terms of the sixteen characteristics mentioned in this article. Draw up a table with one row for each characteristic and assign a score of one (very low) to 5 (very high) then tally up your total. Get a number of people to do the same and obtain an average score. This will give you an indication of the potential success of your product. (Better still, have some customers fill out the form as well.)

In the next issue, we will discuss what we mean by technology strategy and some of the key dimensions for framing it.

See you then!

*Larry van den Berghe*

For more information and for references to the literature as identified by superscripts notations (e.g. <sup>1</sup>) please visit our innovation strategy knowledge portal [www.strategies2innovate.com](http://www.strategies2innovate.com) and follow the links to "Knowledge References."

The Innovation Pentagon<sup>TM</sup> is a trademark of Strategies 2 Innovate.

### ***Innovate! Your Way to Successful Products and Services.***

An exciting two-day workshop on our Innovation Pentagon<sup>TM</sup> framework shows how to be more effective and efficient in product / service development efforts by closely integrating five key organizational areas: corporate strategy, product/service strategy, technology strategy, R&D and new product/service development. Conducted as corporate training sessions at your request in any region across Canada. For more information, visit our web-site and follow the links to Our Workshops for more details or call us toll-free on 1-877-978-8242.

### ***Strategic Direction Setting : From Surviving to Thriving***

Developed especially for the smaller business, our Strategic Direction Setting process works to bring your business from a state of surviving to a place of thriving. It captures a vision of the future for your organization and sets a clear and motivational strategic direction. It offers a useful tool for entrepreneurs and small business owners to systematically address tough yet compelling questions such as: Where are we going? And how will we get there? It takes away the pain and rigour of strategic planning by being easier, quicker and cheaper. For more information and a case example, visit our web-site and follow the links to Services.