

*A problem well defined is half solved**

Let's be honest. It takes courage to innovate and deliver truly breakthrough products. It takes courage because most organizations are risk averse – and for good reason. Give those “Big Hit” product opportunities a chance by setting expectations and framework for success by adopting the Four Commandments of Opportunity Definition.

There are many well-publicized stories about the rare inventor who, in moment of inspiration, conceives of a brilliant idea that will change the world. Few would concede that serendipity makes for sound business planning, yet the urgency to be “innovative” can transcend common sense. Innovation mandates, creative physical environments (foosball?), and expectations that people can be stimulated to flashes of brilliance are “lip service” to useful innovation. These programs are the first thing to go when finances get tight - and no wonder.

Innovation is necessary to achieve competitive market positions. When reduced to practice, “Innovation” programs are often doomed to failure. Stage gate processes, product development metrics, and rigorous project management will still result in failure if the input is poorly defined. The most successful outcomes start with a thorough understanding of where you want to go, how you're going to get there, and what awaits you when you arrive.

Know Thyself. Does the expression “*If you don't know where you're going, then any road will get you there*” sound familiar? Before rushing headlong into expensive development efforts, ask yourself if you can really afford another project. The issue that proves ruinous to many businesses is the cost (dollars, time, and intellectual capital) associated with pursuing too many ill-defined goals, and the opportunity cost of focusing on the wrong ones. More projects isn't the answer, it's often a desperate attempt and hope that something valuable will emerge. Fewer, better products ARE the answer. Strategists will identify opportunities that are aligned with trends and organizational capabilities. Be adventurous, but be realistic in simply defining your “Evergreen Goals”.

Know Thy Competitor's Business (and you do have competitors). If each company operated in a product and market vacuum, without competitors, life would be simpler – but they don't, and it's not. While you may perceive and test opportunities, your competitors are not sitting idly by. Consider:

- Past – who has been in this market in the past? What have their product introductions, market receptions, and lifecycles looked like?

- Present – who is presently leading the market? What attributes of the products are key differentiators?
- Future – what activities are competitors presently engaged in? What does their patent activity suggest? What can you learn from their hiring practices? Organizational changes? Acquisitions?

Know Thy Market Needs. So far, you know what general product area you want to be in. Now, back to the customer:

- What problem are you trying to solve? You can't expect to solve them all, so choose with the greatest value in mind.
- What attributes do customers value? Start by asking yourself this question, and give an honest appraisal, free from historical bias.
- What competitive advantages will your product need? If you can't develop and maintain any, don't bother trying to compete.
- What financial performance does your business need to be successful with this new product?

Know the Technologies That May Meet Thy Market Needs. If you've done a good job understanding needs, there is often no need to create new green-field technologies. With all the interest in Open Innovation, carefully “industry agnostic” statements of technology

need open up potential sources outside the scope of competitors. What does your technology network look like? Is it the same as

your competitor's? Technology is a likely differentiator, so look where the competitors are not looking. And think carefully is internal technology directions will meet the timing and demands the market will place on competitive products.

Laying this groundwork is a necessary, but not sufficient step toward success. There is still much work to be done to reduce the “fuzzy” from what has been characterized as the “fuzzy front-end” of Product Development. Don't wait until products are well into the Stage Gate (or later!) to find out you've missed the mark. Without addressing these key points, even the best execution will result in products that meet with limited success in the market.

* John Dewey, philosopher and educational pioneer