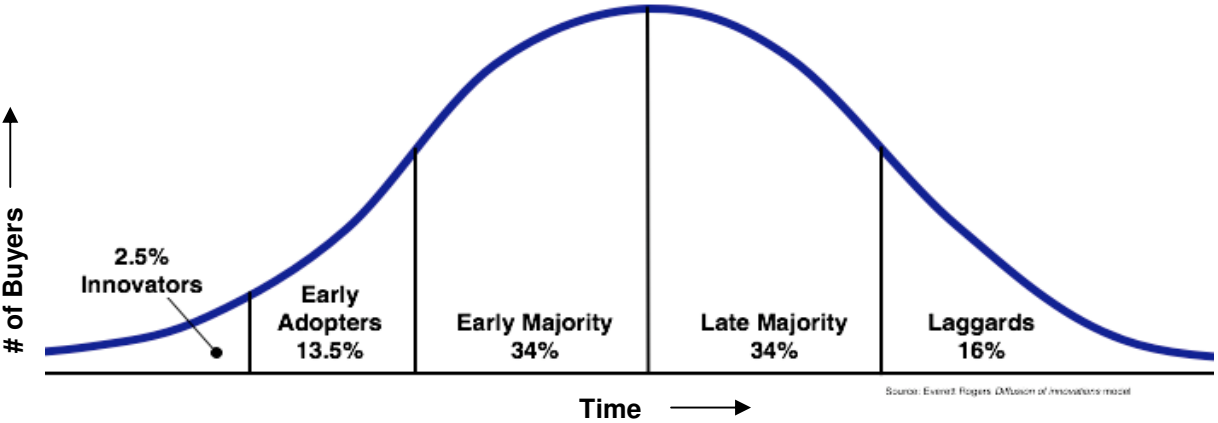


Common Mistake #1

Defining Product Specifications (and Believing You Can Build a Company) By
 Talking Only With Innovators


In the last issue, we discussed how to de-construct your offering and the questions you need to ask in order to select the best market for your offering and define your value propositions. In this issue, I begin a series that describes the common mistakes you need to avoid.


Note: Making any one of these mistakes could be fatal to your company.





In order to illustrate, I pasted a copy of a bell shaped curve first described in general literature by Joe M. Bohlen and George M. Beal in 1957, and then modified and re-purposed many times thereafter by several people in order to clarify their points relative to market segmentation. For our purposes, I will call it the Product Adoption Lifecycle Curve, or just "Curve."

The vertical axis of the Curve measures the quantity of buyers. The horizontal axis of the Curve measures time. The different classes of buyers (Innovators, Early Adopters, Early Majority, etc.) describe to us the phenomenon of how the attributes of the people who are the buyers of your offering when it first comes out are different than the attributes of the people who are buyers later on. Here are a few definitions that may help.

 **Innovator.** Person who is most likely to be willing to invest time and / or money on a particular product in its earliest developmental stages.

 **Early Majority.** Person who is less likely to be willing to invest time and / or money on a particular product than Innovators, but more likely than the Late Majority.

 **example** The people who purchased the first personal computers were Innovators. Some people (especially those to the right on the Curve) would also characterize Innovators as “hobbyists.” Innovators are the ones most willing to tolerate product features that aren’t refined, sometimes quite complex, many times missing something, and that sometimes don’t even work predictably. In fact, the most extreme Innovators can even see it as a positive when things don’t work perfectly, because it will give them the opportunity to “play.” The farther to the right one goes on the Curve, the less likely it is that the group defined would put up with what they would see as product shortcomings.

 **example** Here’s an example more directly related to price. When flat screen televisions first came out and were very expensive, if you needed one, would you buy right away? If you would have, relative to flat screen televisions, you would be an Innovator or Early Adopter. If you would wait for the price to come down and then purchase, you would be to the right on the Curve, either Early Majority or Late Majority. If, today, you would still be waiting for the price to come down, you would be a Laggard.

Now that we understand the Curve, we can discuss the first mistake:



Defining your product specifications and believing you can build a company by talking only to Innovators.

Do not make a linear extrapolation between what you hear when talking only to Innovators and assume that the Majority will feel the same way— almost certainly, they will not.

This is an extremely easy mistake to make, because, without examining it, talking with Innovators seems to make sense; they’re “the leaders.” Also, it is the most natural thing for us to do. Why? Because Innovators tell us things we want to hear, so we like them and we like talking with them.

Do not be seduced by well-intentioned Innovators! As one friend of mine put it, “Don't put on your ‘Happy Ears.’” If you are going to be successful, your product specifications will have to satisfy the Majority.



example

I was explaining this concept recently to the director of a trade organization. He told me that the mistake I described was equally relevant to his work. The people who were the most likely to volunteer for the assignments and otherwise be in leadership positions in the organization were the same ones charting the direction of the organization. Unfortunately, by definition, the attitudes of these people were not representative of the rest of the organization. The result: lackluster participation by other than the same “leaders”, and a less relevant, vibrant and effective organization.



how to test this:

The way to test this after it's too late is to find out that your product specifications are only appropriate for Innovators. How would you know this? The Majority isn't buying, you don't know why, and your company is in trouble. Don't make this mistake.



example

In order to define the product specifications and value propositions for an electronic medical records software package, the developer calls a meeting of a group of physicians. By seating arrangement and body language alone, the physicians self select into the various groups along the Curve. In the front of the room are the Innovators, in rapt attention, leaning forward in their chairs. (They could probably have written the software code themselves.) In the middle of the room are the Early Adopters. They are interested and somewhat attentive, but want the meeting to end quickly, thinking it would be better if the vendor came back when the product was a little more advanced. In the back of the room, standing up, with arms folded across their chests, barely listening, are people from the Majority. The Laggards didn't attend at all.

How will you avoid this? When you ask for volunteers to work with you on product specifications, it's OK to seek out and listen to the thought leaders (Innovators). However, make absolutely certain that you also talk to the Majority and even to some Laggards. You may even want to seek out and talk to some people who don't think you can succeed. Then, really listen.

In the example immediately above, this would mean, at a minimum, talking to “the guy with his arms folded across his chest.” In this example, the developer should seek him out and talk with him. Why? Because, as a member of the Majority, this man is part of the group that could provide the valuable information absolutely required to succeed.

Will you seek out this man and really listen to him, so he can give you the secret to your success?

In the next issue, we'll discuss another common mistake.

About Chuck Bolotin

Chuck founded, funded, operated and sold two companies. The On Target Consultants Process™ he developed, and the success he has achieved applying it has made him an expert in bringing products to market in virtually any vertical, many times when the target market is not known in advance.

Chuck is available for talks to your organization as well as personalized consulting assignments.

