

PITFALLS TO AVOID WHEN LAUNCHING HI-TECH PRODUCTS

Many companies, especially single-product startups, are caught up in the demands of developing their product. They tend to downplay all of the logistics required to bring the product to market. They sometimes wait until the last minute, the point when the product is ready, and then wonder how they are going to make it a financial success. Even worse, product development may have exhausted their financial resources and they cannot afford to make the investment in marketing and sales that will provide the difference between success and failure. They are afraid to go to their financial backers to explain that they need more funding. However, they cannot afford not to especially when alternatives are available for any budget.

This mini-paper does not explain how to beg for funds, but it does discuss important elements required to launch a successful product. Perhaps it will also help those that need to request additional funding to build a case for it. It should certainly help those that would like to increase the success of their product. It is a companion to our earlier mini-paper entitled, "Giving Channel Partners What They Want,"

It is not too late even if your product has already been officially launched.

No doubt, if things are not working, you will soon know it. Don't stop. Just work faster and smarter to plug any holes in what you are already doing. What is essential is to learn the reasons why there are problems and to take prompt corrective action. It takes data from varied sources and the time and effort to analyze it. Learn what is working, do more of it; learn what is not working and cut it out. For example, use Win-Loss Analysis to improve sales results.

Most customers couldn't care less about nifty technology.

The world isn't run by geeks. If it doesn't save money or increase revenues, it is difficult to get the attention of most decision-makers, the people that pay the bills. They are too busy following the beat of the financial community and its focus on the short-term to think about features and functionality of technology. They leave it to others to make technology work as long as the financial objectives are being met or, even better, being exceeded.

There is now an exception to this.

New legislation, post-Enron and other business scandals, provides an additional incentive for executives to seriously consider products that can help them stay out of trouble, even out of jail. Heavy fines and personal liability are levied on those executives that fail to comply with their fiduciary and financial control responsibilities.

Having a cake and eating it, too!

In some cases, businesses realize financial benefits from new technology while also receiving non-financial benefits. For example, high technology products that improve security can help meet the financial objectives of executives while increasing compliance with new regulations. Cost reduction can pay for doing something that should or would be done in any event.

Understand the marketplace and what gives pain.

The more that is known about customers, the better. Customer information should be reflected in the design of products. Then when it comes time for marketing and selling, tell the marketplace that they were listened to and the new product reflects it. Unfortunately, there can be obstacles that tend to dilute this message.

Components versus end-to-end turnkey solutions

The more a product does and the easier it is to be set up and used, the better. Anything less will cut into the market for the product. It leads to objections on the part of prospective buyers. Who doesn't want something that seamlessly installs and configures itself when the box is opened and then is intuitive to use? Unfortunately, some products are components to a solution. They are not sufficient to work without adding other components to make the solution complete and workable.

If a product needs to be integrated with products from other suppliers that blame each other when something does not work, instructions are vague, incomplete or confusing, in-depth training is required to use it, and regular maintenance is required to keep it operating within specifications, any good technophobe will think twice before even considering the product let alone buying it. So if your products have these weaknesses, be sure to work with integrators and third party providers to strengthen the overall value of the products.

Superior quality control isn't enough. Work with customers before committing to full production.

Another thing. Just because a product meets a spec and it passes manufacturing quality control does not mean that it will work for the customer. Before marketing products, manufacturers must test them using the environment(s) that will be experienced by users. Many customers like to work with vendors to make sure that their needs are reflected in products before development is complete and changes are more difficult to be made. Test programs during development lead to better products and fewer surprises all around. Customers get special assistance that makes it easier to introduce products into their organizations when they become commercially available. Vendors discover what their products can and cannot do and what it really takes to install and support them.

Prepare for post-sale assistance and support

The marketplace finds out quickly about those companies that stand behind and support their products. People talk about what they like and what they do not like. Selling something is not enough. A company's reputation is one of its greatest assets when it comes time for referrals and future sales and repeat business. Carefully plan and leverage ways to benefit from a good reputation. First make sure that your company has one. Make it an excellent one.

Don't avoid or hide product problems.

If something does not work as it should, take ownership and work hard to turn a negative into a positive. Great customer service and support is an important factor in any reputation and in making sales. No one wants to buy something that will not be supported if there is a problem when they go to use it. Neither do they want something that will not hold up only to find that the company has gone out of existence. It is difficult to build a great reputation, but also hard to keep one. It takes a concerted effort to do both.

Make you business easy-to-do-business with.

From selling to ordering to delivery to invoicing and payment, convenience, timeliness and accuracy will make a difference in your customer's experience. Be ready to meet each and every need as they arise.

A checklist of things to do

The following list briefly summarizes major points that should be remembered from the above narrative.

1. ***Trials/usability studies:*** Make sure that a product works as intended before committing to full manufacture. Customers are happy to “get in on the ground floor.” They will help investigate compatibility with varied hardware platforms, operating systems, and other applications as well as assuring that sufficient value is received to justify purchase.
2. ***Training & Documentation Requirements:*** Be prepared to support needs for training in product installation, use, and support. Test any support tools that will be used during test programs.
3. ***On-going Assistance and Support:*** Investigate creative ways to leverage customer service personnel via knowledge bases that allow customer self-service as well as other documentation and training for the product.
4. ***Competitor/competitive analysis:*** Make sure to monitor the competition. Understand what they are doing. Learn from them.
5. ***Measure customer satisfaction:*** Customer feedback is essential. What you learn and take seriously as evidenced by what you do for them will make a difference to your customers. Knowing that your business and its employees care and stand behind their products helps to build customer loyalty, keeping people employed and the investors happy.
6. ***The sales cycle:*** Be prepared to be easy-to-do-business with. Assure that systems are in place to adequately support the ordering, delivery, billing and payment processes. Include training and test for proper follow through at every customer touch point.
7. ***Marketing and sales support:*** Support sales, including channel partners, with presentations, videos, webinars, websites, product sheets, tradeshow, etc.. Send mail, emails, and call pre-qualified sales prospects. Be prepared, it takes multiple contacts to build brand and product awareness. Persistence makes a difference when done regularly, but not excessively.

For more information or to contact us

Our business assists with the topics described in this mini-paper. Our experience includes bringing technology-based products to market. If your business lacks the experience and resources to take the final step to making products winners in the marketplace, contact us. We will help you make the most out of your development efforts.

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