

**F**ast forward to 2040 and look back at today's B2B innovation... You will probably laugh at the outdated practices that prevailed! High-pressure selling ('always be closing') vs consultative selling, quality control inspectors vs statistical process control, net present value model to make investment decisions vs options thinking and discovery driven planning.

INGIMAGE®



New practices seep in at snail's pace through the business world and sometimes require two or three decades before broad adoption. This seems odd since early adapters reap major competitive advantages in improved quality, leaner operations, better customer relations and so on.

If you want to own the future, the need to be good at customer-facing innovation is paramount. Your advantage over competitors would almost seem unfair. They'd be stuck at the typical new product success rate of 25 percent while you will delight customers with one superior new product after another. Here are some obstacles to profitable growth...

**TEST MARKETING** Though businesses claim to like the 'voice of the customer,' they mostly use 'voice of self' to create product concepts in conference rooms. So the average supplier knows whether the solution meets market needs only when a product is launched.

Launching products at customers is an incredibly inefficient approach that's commonly being practised in B2B – this, despite that fact that B2B customers have knowledge, interest, objectivity and foresight. They're capable of articulating what they want before any development is initiated.

**ORGANIC GROWTH** We don't understand what organic growth requires. In most annual operating plans, growth is projected as being faster than market

expansion. So how has that been working for companies?

Mostly below par. And the truth is that there are three types of growth and companies can control only one of them.

The first is inherited growth from products launched long ago, which now carry the business; and the second is market growth, which is the tide that lifts all boats. The third is earned growth by delivering real value to your customers.

**MARKET REACTION** We interview customers to validate our hypothesis. The problem with asking customers about new product concepts involves confirmation bias where new information is interpreted in a way that confirms your existing beliefs.

Confirmation bias is hard to overcome. During customer interviews, you'll hear what you want to hear and this distortion does plenty of damage to innovation.

Another problem is that when you've finished validating, you probably think you have learnt about market needs. Unfortunately, you have only learnt

about the market's reaction to your idea.

It's better to conduct divergent interviews where customers offer dozens of desired outcomes – many of which you would have never expected. Our experience with global companies has shown that these unexpected outcomes often lead to the most valuable new products. **INCLUSIVENESS** We fail to fully engage customers in our innovation. Many of you must have bored customers with the 'voice of the customer' efforts. Given the prevailing WFH pressures, who has time for your questions?

So learn to probe brilliantly whatever customers want to tell you. They should lead the interview and you'll be fascinated by what they tell you.

Think of it this way: research shows that the best sales pros ask customers questions such as "What problems are you facing?"

Why not ask this question before you develop a new product rather than later, when selling it? Since questions such as this engage customers, your products are half sold by your launch date. And their answers enable you to create much better new products.

**CLIENT INSIGHT** We are easily distracted from customer-facing innovation. Quality and producti-

vity initiatives are useful but unless you are creating new value for customers, you're in a race to the bottom.

No matter how well you improve operational efficiency, you'll eventually approach diminishing returns, competitors will catch up, and your product will sink into the dismal quagmire of commoditisation and price cuts.

Instead of chasing short-term BSOs (bright shiny objects), future winners will focus on developing growth muscles for the long term. Their employees will gain the skills and drive to enter customers' worlds, and understand their outcomes far better than competitors.

What is needed today is new product blueprinting, which is all about understanding customer outcomes at unprecedented levels. It is the science of B2B customer insight. Similar to how a microbiologist puts a specimen under a microscope, an outcome is studied in increasing detail.

For each outcome, the magnification is turned up through several levels until the supplier approaches the same level of understanding as the customer. And finally, by reaching the future first, we will be able to deliver phenomenal results and remove any opportunities for future innovators to laugh at us.



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