

# EVERY MINUTE IS GOLDEN

**“We will double our turnover by 2013”**

**“Global market leadership within four years”**

**“Double digit growth needed by 2012”**

These phrases, familiar to marketing and R&D managers everywhere, are often delivered by CEOs with intriguing presentation graphics but no meaningful plans. So, how can you deliver on it?

Many in this situation quite rightly initiate a substantial innovation project – with the aim of identifying one or more radical products for launch in the medium term, which is no simple feat. The process is risky and fraught with hurdles right from the start. So, that sounds fun; where do we start?

The first job is to gather essential elements, such as predicted consumer needs, a high-performance team, mechanisms for open innovation, etc. However, this is not always enough. Over the past 18 years we’ve worked with a wide range of companies, big and small, to kick-start these innovation initiatives. By reviewing our work and by correlating outcomes with meeting attendance, we’ve developed a radical, yet simple, ‘rule of thumb’:

**If a large company wants to bring a radically new product to market, then its director-level management team must commit at least 24 solid hours during the initial concept-generation phase, otherwise the project will almost certainly fail.**

We had always understood the importance of getting Senior Manager attendance and support, but had not realised that even the actual hours spent were critical to avoiding failure. We’ve named this principle: the ‘Golden 24 Hours’.



To succeed, the Golden 24 Hours investment needs to involve Senior Managers (typically director-level) covering all of the key disciplines such as marketing, manufacturing and engineering. The Senior Manager with each of these major responsibilities needs to invest at least eight hours in kick-off meetings.

## Spending the time wisely

It is important that every minute of these Golden 24 Hours is cherished; therefore we have developed an eight-hour meeting format, for a minimum of three Senior Managers plus key team members, to help concentrate efforts. Contrary to common belief, radical product concept generation benefits from a written specification, albeit rather different from the typical ‘Requirements Spec’. The aim in this first meeting is to produce this ‘specification’, which has three main elements:

- An Innovation Objective
- A set of screening criteria which help to define barely acceptable limits on:
  - the key parameters associated with the objective (e.g. timescale)
  - the innovation space (what is not allowed, but keeping this list short)
  - the characteristics of what is understood as being a successful, radical launch
- ≤12 prioritised ranking criteria which help to assess the relative gain vs. pain

Once finished, you can then use this specification to brief all team members and it has enormous value when creating and assessing ideas. However, it is the actual process of creating the specification which has the most impact – as the intense discussion helps catalyse the Senior Manager buy-in and motivation for success.

For example, during the meeting the Innovation Objective is challenged repeatedly to test:

1) *Is the level of ambition it implies proportionate with the level of risk that is tolerable to those who initiated that objective (typically the CEO and Senior Managers)?*

Objectives are often written without the implications made explicit. For example, a healthcare company wanted existing market share to increase by 20%, yet not everyone realised that they would then be open to monopoly concerns. In addition, many companies want to replicate the market success of historic launches, forgetting the enormous investments and extended launch timescales (hidden by development projects being resurrected under new names). This can be revealed by systematically assessing past successes and failures during the Senior Manager meeting.

2) *Has the objective been worded in such a way that it unnecessarily constrains the innovation space?*

For example, a company that used to make VHS video recorders needed to innovate, and had the objective “New product concepts involving entertainment with video content ... for launch within 1 year”. Changing the word ‘video’ to ‘visual’ gave access to the whole new (at that time) area of digital photography and led to the launch of one successful new product and the sale of a second concept. Senior Managers gained the insight necessary to change to ‘visual’ simply by everyone sharing their current definition of the word ‘video’, a process repeated for other key words in the objective.

3) *Will the resources and infrastructure be available to meet this objective?*

Innovation is tough, but it is much more likely to happen if everyone behaves from day one as if it will happen. This

means planning into the future, at an appropriate level, as far as possible. It can be something quite simple – for a telecommunications equipment company developing a new equipment platform, it meant booking an extra-large exhibition space one year in advance. The company could then demonstrate prototype modules and key customers could be reassured of a future launch, and so could be persuaded NOT to invest in a competitor platform. This small outlay of cash also gave a strong message to the development team regarding the sincerity of the launch date, especially when combined with customer invitations.

4) *Does the objective imply irresolvable conflicts?*

Typically, they do not, but a subset of Senior Managers can believe so unless the implementation routes are explored. This can be achieved by asking each Senior Manager (and the core team) to give a one-page presentation on their selfish needs for the innovation initiative. The conflicts are then discussed constructively, probing the available evidence and the related ambitions. Often a resolution can be found, so that each Senior Manager leaves the meeting with a stronger belief that it can be done, rather than secretly dismissing it as undoable.

#### **Right time, right people, right start**

By spending those Golden 24 Hours at the right time and involving the right people, that early investment of euros or dollars can add tens of millions to turnover.

As examples, we've worked with Royal Philips Electronics and Scotts to develop radically new product lines. With Philips, the result was an additional 55 million euros of turnover in the first year. With Scotts, a whole new product area was identified. Both cases involved serious changes to production, marketing and distribution. However, by combining the creative talents of Senior Management from the very beginning, many opportunities opened up.

What changes and input do you need to get your radical products launched? A Golden 24 Hours perhaps?

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