"SEE WHAT STICKS"
IS A FAILED BUSINESS EXPERIMENT

The Real Cost of Throwing Concepts Against the Wall

CRYSTALLIZE YOUR AMBITION EDITION

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THE REAL COST OF THROWING CONCEPTS AGAINST THE WALL
by David Cooper

You've heard it before. "Throw it against the wall and see what sticks." If pasta comes to mind, it's because of the myth – if you throw spaghetti against the wall and it sticks, it's finished cooking and ready to eat. The expression also describes a faulty business experiment.

Organizations employ it in their attempts to deliver the next big thing or something new and exciting for their companies and customers. The see-what-sticks approach is used for innovation and product development, making decisions and in brainstorming sessions to identify new directions and opportunities.

What a fun and creative expedition, given the absence of strategic guideposts. No boundaries! This can be liberating. After all, who gets anywhere without trial and error? As the phenomenally successful slogan goes, just do it. Right? Wrong! Companies that do this either need new leadership, a reality check, or both. There's too much at stake to operate this way.

Throwing concepts against the wall (out into the market) is haphazard at best and destructive at worst.

Companies make decisions, develop and execute without any context, research or data to predefine what they're doing and why. All they really have is the misguided hope that some modicum of success will come from their efforts.

Smart cooks don't throw anything at the wall to see if it's ready to serve. Neither should you.

7 Costly Reasons to Avoid Trial-and-Error Innovation

Unlike the <u>fail fast</u> method, which many companies employ as part of their strategy when uncertainty is high, the see-what-sticks approach to innovation has no strategy, structure, process, intention or evaluation – everything that's truly required to steer toward success.

Here are the seven biggest reasons why the approach is ineffective, inefficient and dangerous:

1 Brand Damage

Trial-and-error approaches to innovation can destroy customer perceptions and their relationships with a company or brand. By the same token, diverting resources away from or abandoning concepts to make room for novel new ones can create confusion and mixed messages. These random practices result in the erosion of customer trust, loyalty and standing in the market, making it a monumental challenge to retain and attract new customers.

2 Risk Escalation

Despite common perceptions, proper planning and budgeting can and do mitigate project failure. People ruin businesses by getting in there and just doing it. They have ideas, launch them, and if an idea fails, they simply decide to redefine, rebrand and come out swinging with something else, or they successively throw several concepts at the wall. This is a blind pattern with no consideration for the impact on customers and most especially, the negative blow to internal resources and revenue. This takes us to number 3.

3 Asset Degradation

Many leaders believe resources are optimized by the trial-and-error method of product and service development (less time, smaller budgets, etc.). This is not true. Developing and testing viable ideas and products requires time, effort and resources. It takes investments in research, development and production planning (due diligence!), and a full strategy is needed for marketing, sales, distribution and customer support. Tossing random concepts into the market without prior evaluation or strategy wastes financial and human resources on ideas that lack potential, don't resonate in the market and fail to generate a return on investment (ROI).

4 Lack of Focus = Misfires

Ready-fire-aim is never a wise approach to growing the business. The hit-or-miss approach robs a company and its people of clear direction. Further, when a company entertains and invests in too many ideas at the same time, or neglects well-performing solutions for shiny new ideas, it becomes impossible to allocate sufficient attention and resources to each one. This dilutes the efforts and focus of employees and invariably results in substandard or poor outcomes. Smart companies allocate resources strategically and focus on proven concepts and new ones with a higher chance of success.

5 Muddled Messaging

Repeatedly throwing concepts at the wall creates confusion among customers and just about every stakeholder within and outside of a company. If a company continually changes its product portfolio and associated messaging, no one is going to understand the company's mission or purpose. This harms the reputation of the company and brand and alienates existing and prospective customers.

6 Futile Decisions

Good business decisions are difficult if not impossible to make without considered analysis of all surrounding factors, and without a business and product strategy in place. New ideas and concepts need to be evaluated for their merit based on solid, data-driven analytics, including customer and market research, <u>customer feedback</u> and company development and revenue goals.

Only with these informed insights can leaders avoid making hasty decisions and instead stay focused on facts that lead to effective decision-making and successful product execution.

7 Employee Stagnation

More than any stakeholder in a company's success, employees reign supreme. They absolutely must know and understand the company's mission and goals, and this can't happen when the company has no clear strategy for innovation and product or service development. Effective leaders must lead and create new leaders within the ranks to help carry the torch of innovation to the finish line.

See-what-sticks and hit-or-miss methods paralyze even the most talented and motivated employees, demoralizing and demotivating them faster than a lot of other operational deficits. To achieve success in innovation, give employees a real sense of direction, steady goals and the promise of accomplishment. Companies that do this see productivity, job satisfaction and teamwork soar.

Build the future on solid ground

The right road to innovation is simple. Thoroughly vet every new concept before it moves from the drawing table into the gears of development. This is accomplished by devoting the necessary time, attention and resources to conceive, adapt and test new concepts.

If your organization seems hellbent on throwing something at the wall to see what sticks, here is the

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right time and place to do it. Start by answering these questions internally:

- Which of your ideas or concepts have the greatest potential? Find out by identifying customer needs, market trends and competitor offerings. See if and where your ideas fit into the big picture.
- Do your chosen concepts align with the mission and values of your company and brand?
- Do they fit within your company's core competencies?
- Do you have the right talent on board to carry out product development and execution?
- Will you create prototypes

and conduct testing to refine a product before full market introduction?
- What is your plan to measure sales and product performance post-introduction?

When making decisions for new product or service developments, a thoughtful, systematic and strategic approach diminishes risks to the company, brand, employees and customers.

If you're trying to think outside the box, it's time to burn the box

Just say no to hit-or-miss. Focus on concepts that truly pass the sniff test based on real-world facts and analytics and you will substantially increase your chances of success. You will also use company and employee resources in the most efficient, productive and rewarding ways. And best of all, you'll build and maintain a strong, consistent brand image in the market.

Contact us to ignite real change with clarity and concrete business opportunities. We can help you exceed your brand promise with strategic excellence.
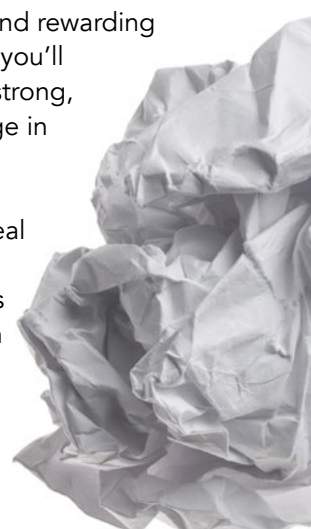
Redefining Go-to-Market:
How Times Have Changed!

by David Cooper

The global business environment has shifted so dramatically over the past 10 to 15 years that companies have had to continually tweak, adapt and bring wholesale change to their go-to-market (GTM) strategies. This inescapable but lucrative evolution moves faster every year, presenting barrier-busting methods and opportunities for companies to gain immediate traction in the marketplace.

Information technology (IT) has made rapid adaptation possible, but there are other, equally powerful drivers sharing center stage in today's GTM revolution.

Here's a big picture of what's driving today's new and agile strategies:

1 The digital revolution opened the flood gates and created an ocean: Digital transformation didn't just disrupt traditional business models. It blew open the door to unprecedented business opportunities. Today's leading companies eagerly adopt digital technologies to streamline operations, supercharge the supply chain, optimize marketing initiatives, and communicate with customers in the most direct and responsive ways.

This involves integrating and leveraging the power of data analytics, online channels, process automation, prioritizing personalized customer interactions and experiences and much more. Artificial intelligence (AI), machine learning (ML) and the Internet of Things (IoT), among other technologies, are on the front line in uplifting customer experiences, operating efficiencies and data-driven decisions.

2 Customer expectations are off the charts: Customer expectations and personal preferences have taken on a big, bold life of their own that cannot be denied, at least not by successful and determined companies. For years, technology, along with access to information and cultural shifts, have been impacting how and where people discover, compare, assess and choose to buy products and services.

Companies are evolving their development, operational and GTM strategies to meet these changing customer expectations while simultaneously delivering a seamless customer experience. A customer-centric GTM strategy is mission critical in today's environment.

3 **Companies are finally reaching for the gold in customer sentiments and insights:** Consistently collecting and analyzing feedback from existing and prospective customers, as well as other target market insights, has become the secret sauce in current GTM strategies. And it's about time!

This invaluable and constantly evolving data source leads to data-driven decision making. It reliably points to critical product improvements and enhancements that are needed. It spotlights weaknesses in products and customer support that must be remedied – immediately. It reveals spot-on insights for innovation and filling product and feature gaps in the market. Underpinning all these competitive advantages is that knowing what's on the customer's mind substantially improves decision making and business outcomes.

4 **Competitive pressures have multiplied beyond imagination:** There was a time when business and market intelligence, as well as the time it took to launch a business or new product, gave both young and established firms time to prepare for approaching competition. Not anymore. The expression, "You snooze, you lose," is a constant reality in the current GTM mindset due to the meteoric rise of new entrants, competitive products and services from existing firms and other forces and market threats.

Smart, aggressive companies are in a perpetually vigilant state of upping their games to protect market share with innovative strategies, new offerings, more customer-centric business and distribution models, agility in implementing competitive pricing and other strategic adjustments.

5 **Diversifying offerings and expanding reach have become top strategic goals:** Recognizing the vital need to accelerate growth and advancement through innovation, companies are exploring new markets and development plans that align with their product portfolios and services, their core competencies, and most especially, their company missions. Good lateral fits for existing products and services, along with penetrating new markets, territories and customer segments, and launching new product lines are helping firms seize new revenue streams and mitigate financial and competitive risks.

6 **Online and digital channels are a direct conduit to today's influencers and buyers:** The efficacy and communications power of e-commerce, social media and mobile platforms have wholly remodeled the ways consumers and professionals interact with companies and brands. Companies are integrating these channels into their marketing, sales, website

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and e-commerce platforms to digitally target and engage customers and prospects. However, capitalizing on digital platforms is not done to the exclusion of other channels, such as physical locations. Smart GTM strategies give customers a consistent, familiar and seamless experience across all touchpoints, regardless of which one they prefer to use.

Content marketing shared in its many forms – videos, thought

leadership articles, blogs, podcasts, etc., – has also become a substantial interactive brand awareness builder and sales touch point, and so have collaborative relationships with independent content creators (influencers) and affiliate marketing partners with large followings on social media. Content, influencer and affiliate marketing go a long way in creating and widening reach and revenue streams.

Do you remember GTM strategies from the 2010s?

Whether you've been involved in company and brand management, marketing or sales as long as I have (1990s) or you entered one or more of these fields 10 to 15 years ago, you have participated in the most dramatic era in go-to-market strategy history.

In the 2010s, the most dominant GTM concepts and methods were a different beast – and they would never work in today's business environment. Here are some of those notable strategies:

■ Traditional distribution and sales channels were extremely popular and successful among companies and their customers alike. These included direct sales teams, brick-and-mortar stores and third-party distributors and retailers. To seed the market and create initial buzz around new products and services, trade shows and other industry events were one of the most prevalent platforms for showcasing products, networking with colleagues and generating leads among prospects, partners and distributors.

To me, in retrospect, it feels positively suffocating to imagine solely relying on these channels to generate awareness and sales today!

■ Mass marketing and advertising consisted of airing television commercials, primarily on national networks and their local market affiliates, along with radio advertising, printed communications and outdoor advertising, such as billboards. Companies invested heavily and mostly in these channels. Today, the lack of exposure through this GTM strategy would barely make a dent in reaching and influencing target audiences.

The shift toward digital channels had started but was limited in the 2010s. Websites were not interactive yet, serving mostly as online brochures, and e-commerce and social media had a long way to go in becoming the sales and awareness-driving powerhouses of today.

■ Creating show-stopping, feature-rich products and capabilities was the primary focus among companies in the 2010s, and firms were equally intent on differentiating their products and brands from the competition. Marketing and sales initiatives were dedicated to these assets and differentiators as well. Essentially, everything was about market leadership. Nothing was about the customer. This GTM strategy would fail miserably in today's customer-centric environment.

Some things don't change, and that's a good thing

One GTM strategy that has stood the test of time and always will is the importance of strong business partnerships and strategic alliances, including with competitors! Such relationships expand reach and access to new markets and resources. What one partner lacks, the other compensates. Collaborating with other businesses continues to help companies leverage the expertise, customers, resources and distribution networks of others to their mutual benefit.

Another GTM strategy that endures is the immense value of segmenting and targeting audiences within target markets – and tailoring specific messages and products that are most relevant to those audiences. The major difference between the 2010s and now is that through technology and diverse communications platforms, today's organizations have far greater success in reaching targets and influencing and nurturing individual customer journeys from the first impression to product purchase, loyalty and advocacy.

Get flexible and keep your eyes on the prize

While this contrast of current and past GTM strategies is not all-encompassing, it provides a good perspective on why we should never get comfortable. I advise my clients to hang onto their hats because technology advancements and market shifts will keep emerging with lightning speed, changing the landscape yet again in profound ways.

What's most important for today's businesses and marketers is to be more aware, more agile and more proactive. The future is about prioritizing the ability to adapt and transform along with the trajectory of a specific industry or market. Flexibility, customer feedback, continuous product improvements and fast customer response times are the keys to staying relevant, meeting customer expectations and outperforming the competition.

The ability to adapt and innovate at the same time is crucial for both short- and long-term success in our dynamic business environment.

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