

## How-to Successfully Discover and Define New Product Offerings

### Doug Ringer

I'm a product management and development professional and I've worked with General Electric, Ericsson, Honeywell, Meritor (formerly a division of Rockwell International), and others in the private sector. I've developed or managed over 40 product lines for both North American and global markets. My work almost always includes working to develop new products and audit past projects for tips and lessons.

My questions are: How do we properly define a new product offering and how do we communicate it effectively? These two questions provide the perfect platform from which to launch a new program.

#### Discovering the Problem

**The first step** in the development of any new product is discovering of the opportunity the market makes available to you. These opportunities are uncovered when you look into the issues, concerns, and the real or perceived problems of your customers. While studying these issues, think of how they are similar and different and are they common among customers or unique to a few (or one) of them.

One of the best starting points I've found is the question, "What would I want or need if I were in their situation?" Use your experience from similar project and data from customer interviews to enter into a customer's frame of mind. This process lends itself to the Socratic Method, or the "5 Whys" of problem solving. This opens you to concepts that you otherwise may not otherwise consider.

**The next place** to look is at the market and your products' potential rivals. This is not the time for an in-depth competitive comparison but for an overview of many possible competitors to get an idea of how the problem is currently being solved.

It is also the time to talk to your customers, potential customers, and your sales force. Your goal is to begin to validate some of the assumptions you made during the previous two steps. These can be brief conversations that touch on the high-level benefits and functions. You will do more in-depth VOC or "Voice of Customer" interviews later in the

process. For now, seek input to help you discover the market's needs and wants. Save the details for later.

I will caution you that the customer isn't always right about what they need. They know they have a problem, they might know what they want, and they may have a working solution for it. However, if they were satisfied, then they would not be seeking vast improvements. Your job is to decide if an incremental solution is sufficient or is more innovation warranted? If Henry Ford had listened to his customers, he would have built a faster horse, not the first successful automobile. What can you do to change the market?

## **Defining the Solution**

**“A problem well stated is a problem half-solved.” - Charles Kettering**

The work of discovery discussed above should provide some concepts of what to create for your customers. It is time to define the concept tangibly. There are as many ways to achieve this as there are product managers. The common name for the document that defines the requirements of the market is the Market Requirements Document or MRD.

The MRD is broad in scope and demonstrates how the customers will use and benefit from the product and how the development and sale of the product will impact your company. I create a comprehensive, detailed treatment of the subject matter in my market requirements document. I write it assuming it will be delivered only in written form and that I will not be able to discuss it with the project teams (engineers, production team, finance and sales departments) in person. This forces me to include details that make the entire development team more effective. This works extremely well with global teams.

### **The Market Requirements Document**

The typical market requirements document explains the product functionality, the typical customers, and the use cases for each customer. Here is a list of the essential parts:

1. Technical requirements
2. The look, feel, and operation of the product (a.k.a. "industrial design")
3. Product quality requirements

4. Regulatory requirements
5. Industry standards necessary for success
6. Business model or business case for your firm
7. Restrictions on production location
8. The production cost or standard cost
9. Cost of development
10. Available-to-ship date
11. The sales price (or prices, if selling through multiple channels)
12. Estimates of annual sales quantity by channel

While the MRD is the key document in communicating the product or service, the more frequently you can meet with the teams and authorizers, the more success you will have in the implementation phase. A written document (including email) is a one dimensional representation of the concept. A telephone conversation is two dimensional and more effective. The ultimate option is a face-to-face discussion with the final arbiter of the project. These “three dimensional” meetings allow for the free flow of information and emotions, and are most effective when selling an idea to any “buyer”.

We should not view new product lines or projects as clones of their predecessor. Each product line and launch has its own unique characteristics, customer base, and business model. Find key customers that have a proven record of success in the field in which you are investing and spend time with them learning what they do and why they are successful. The hard work and diligence required by this analysis process will be returned to your firm many times when you project is a success. Failure to do the work will create floundering product launches and anemic sales.

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