

Innovation

EDITOR: KARYL SCOTT (KSCOTT@CMP.COM)

Susan Penta and Michael Goldberger are in the business of innovation. Their management-consulting firm, Midior, helps companies foster innovation during product development. "We help companies understand the role that innovation plays in helping them reach their goals of delivering products quicker, better, and cheaper," Penta says. Innovation usually results from team effort, they note. Highly effective teams are comprised of people who are passionate about what they do, communicate well, have common sense, learn by trial and error, challenge assumptions, and are committed to making things work.

The most important person in the team is the product manager, who serves as a universal translator among engineers, marketers, and salespeople, Goldberger says. It doesn't matter how much a company spends on research and development; if it doesn't have good product managers, the project won't succeed.

QUICKER, BETTER, CHEAPER

They also note that time to market isn't the only or even the best predictor of success - sage wisdom that many failed dot-coms have come to realize. Time to revenue is a better indicator of success, Penta says. These seemingly common sense ideas are often met with surprise by Midior's clients. "We tell large companies to look for the entrepreneurs, because those are the people who have great ideas," Penta says.

Midior provides clients with tools and workshops to focus on the quantifiable elements of product development. It looks



Mark Escher

at the client's business models, technology, market opportunities, management objectives, and skills, then shows clients how to critically evaluate product ideas, perform business-to-market alignment, and identify potential risks. Midior also helps companies re-create the iterative process of weeding out weak ideas while keeping and building on the good ones.

Midior has identified four key barriers for bringing complex, innovative products and services to market: New products or services must support integration with existing systems and processes; information about new products or services must be kept accurate, and up-to-date during the sales cycle; implementing new technology requires the active support of multiple departments within a vendor's or its customers' organizations; and hidden switching costs related to adopting new technology will require changing organizational behavior, which will prolong the sales cycle.

Goldberger and Penta are writing a book in which they will share their pragmatic advice with a broader audience.