



V.W.M.A.

4-24-09

Profitable Growth

presented by

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VMEC



MEP
Network

Why Innovate?

If you're not **UNIQUE** you
better be **CHEAP!**

The HARD FACTS



N = 738

Deep analysis of 120 Businesses

A FUTURE FOCUS was
10 times more predictive
of success than a



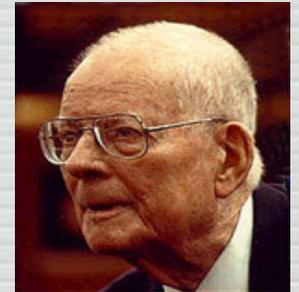
“Voice of the Customer” approach.

PROACTIVE Product Innovation

vs.

REACTIVE Product Innovation

“Did customers ask for the electric light? No. They never asked for it, the producer produced it. No one asked for a car, nor a telephone. No one asked for a copy machine or a fax machine.

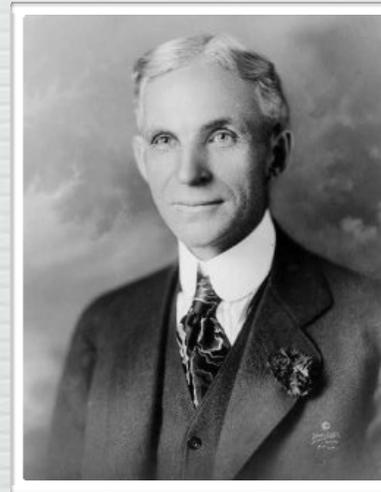


Deming

Innovation does not come from the customers. Innovation comes from the producer, from people who are responsible for themselves and have only themselves to satisfy.”

Dr. W. Edwards Deming

Henry Ford



“If I had asked people what they wanted, they’d have said faster horses.”



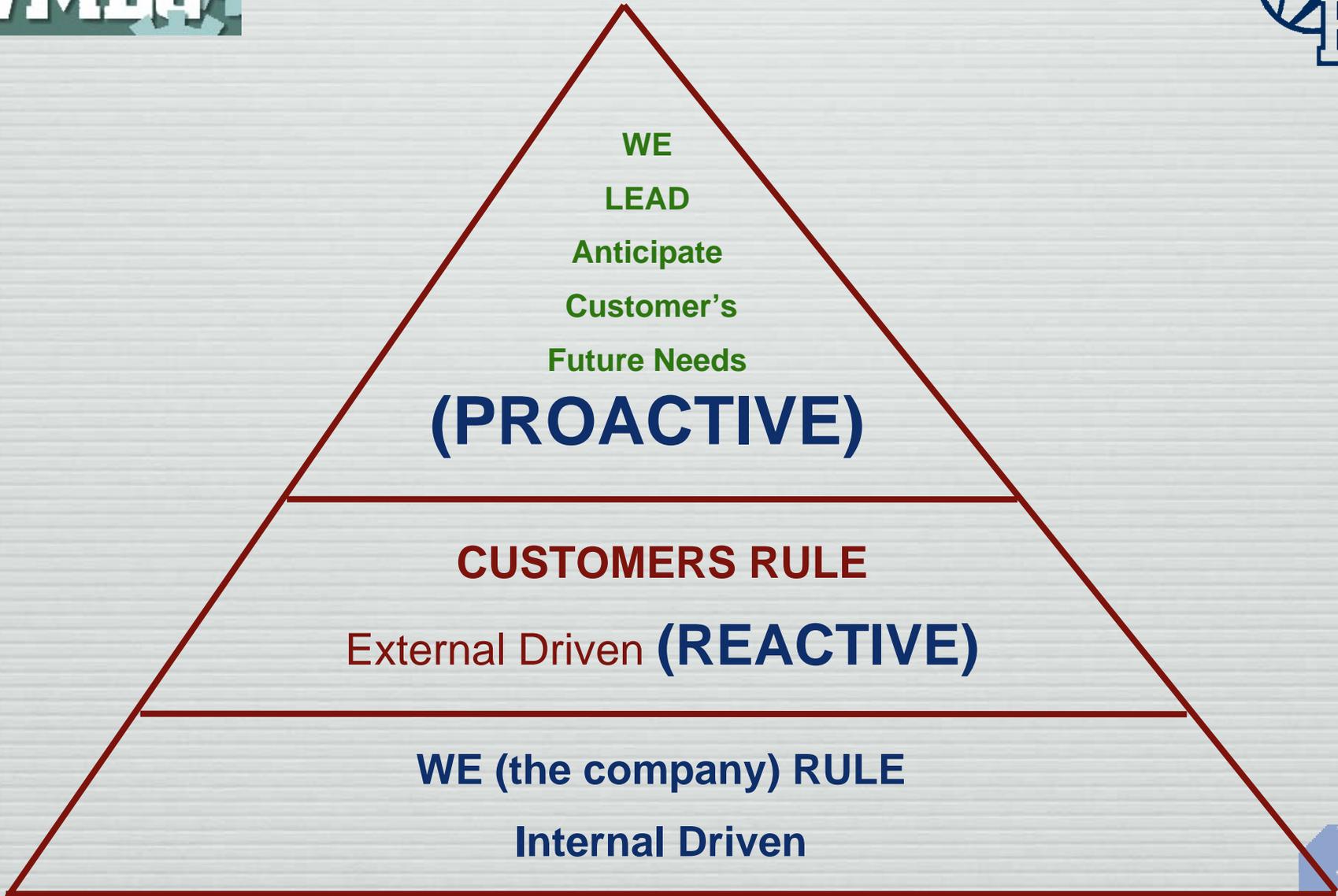
Growth Leadership **SECRET**

A Clear Vision of the Future

“What your business will be in 5 years.”

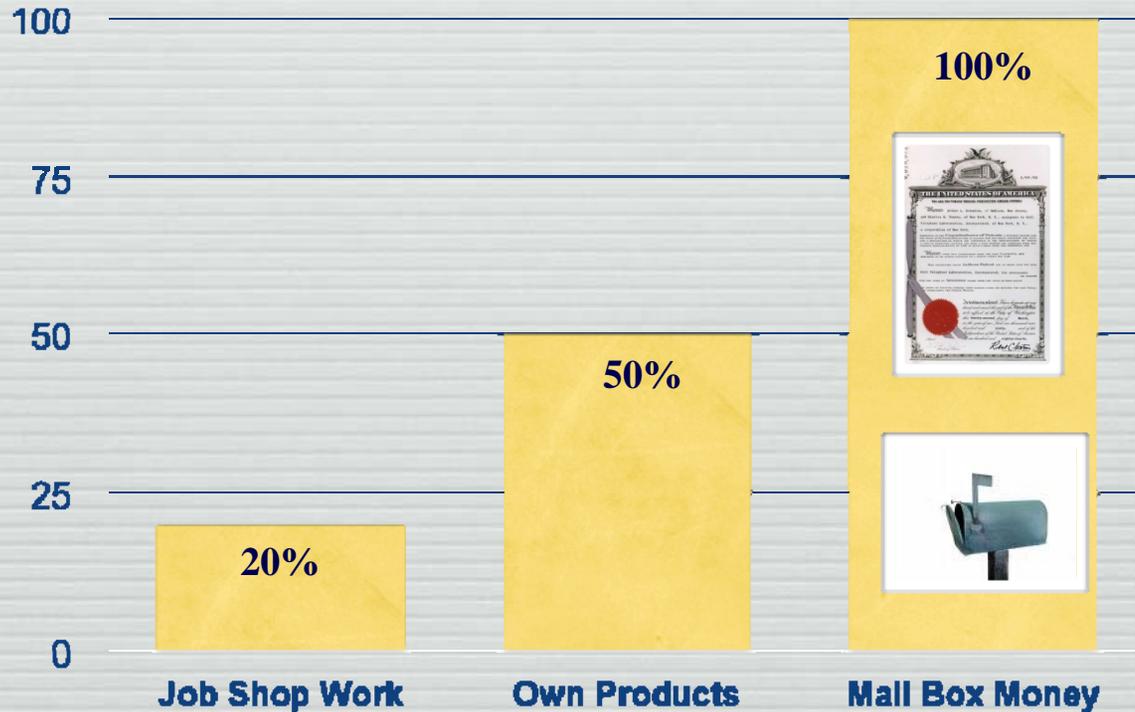


Creates **URGENCY** in the Present



The Opportunity for Job Shops & Contract Manufacturers

Gross Profit Margin
(Before overhead, interest & profits)



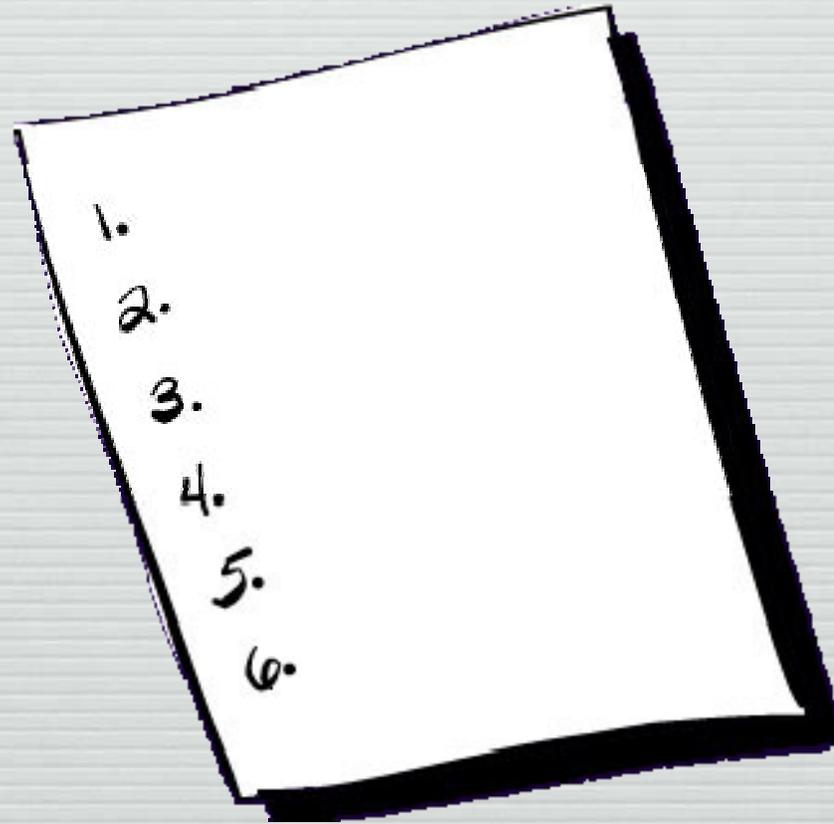
State of Washington Job Shop

Increase Odds of Creating More Innovative Products and Services by .

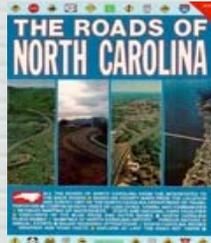
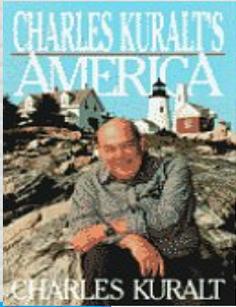
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Increasing Stimulus
Leveraging Diversity
Driving Out Fear

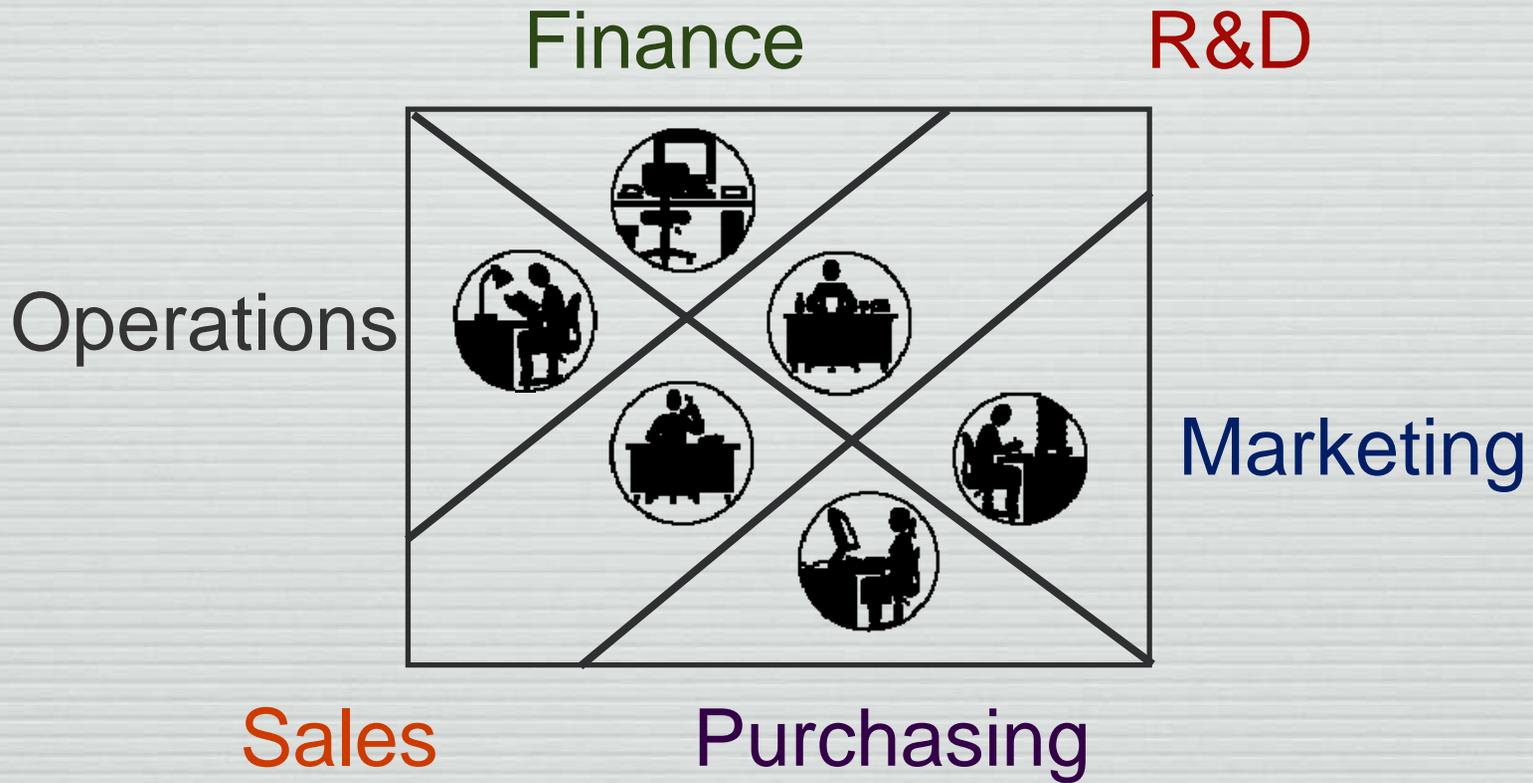
Where to go on vacation?



Where to go on vacation?



Internal Silos or Walls

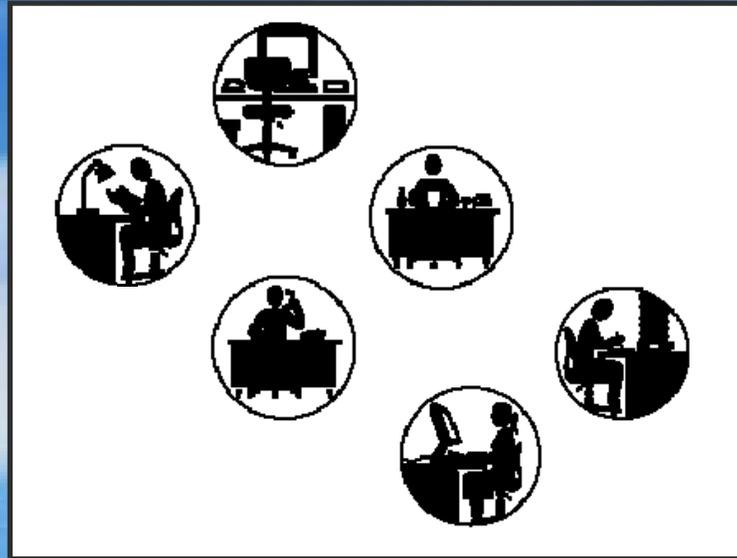


DIVERSITY

Finance

R&D

Operations



Marketing

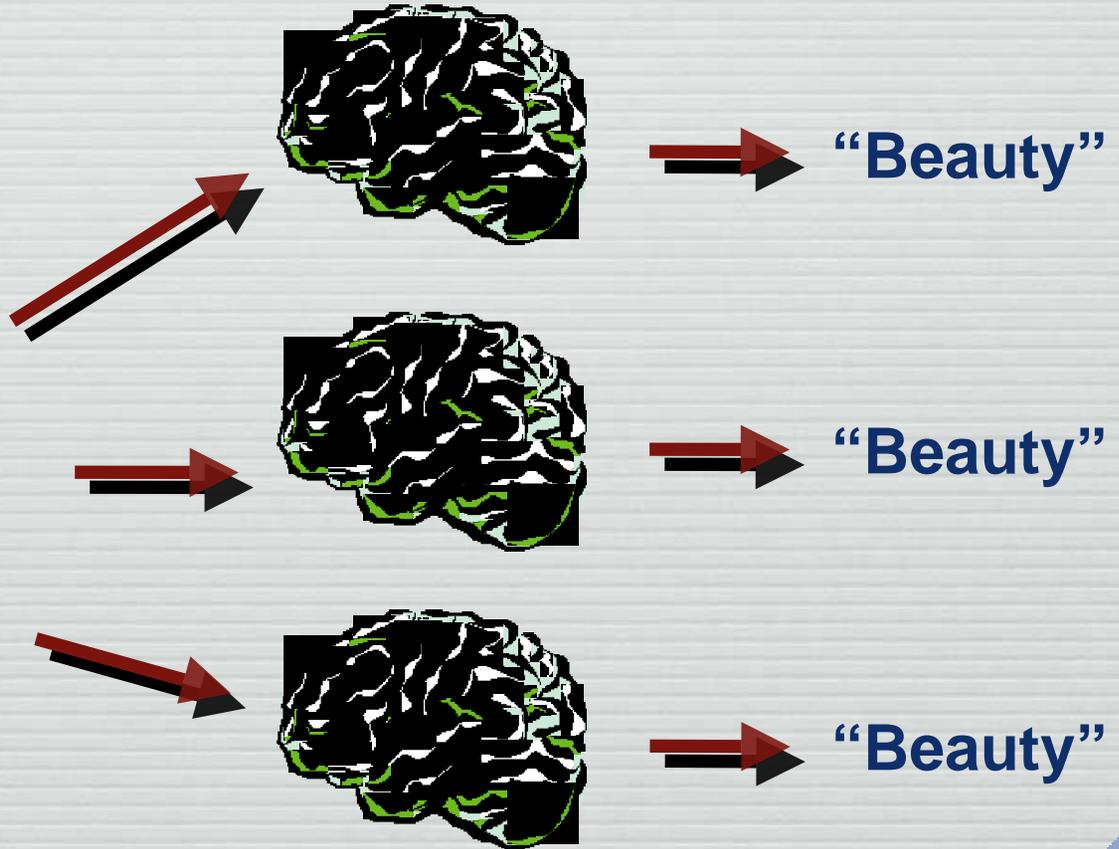
Sales

Purchasing

Breaks down silos

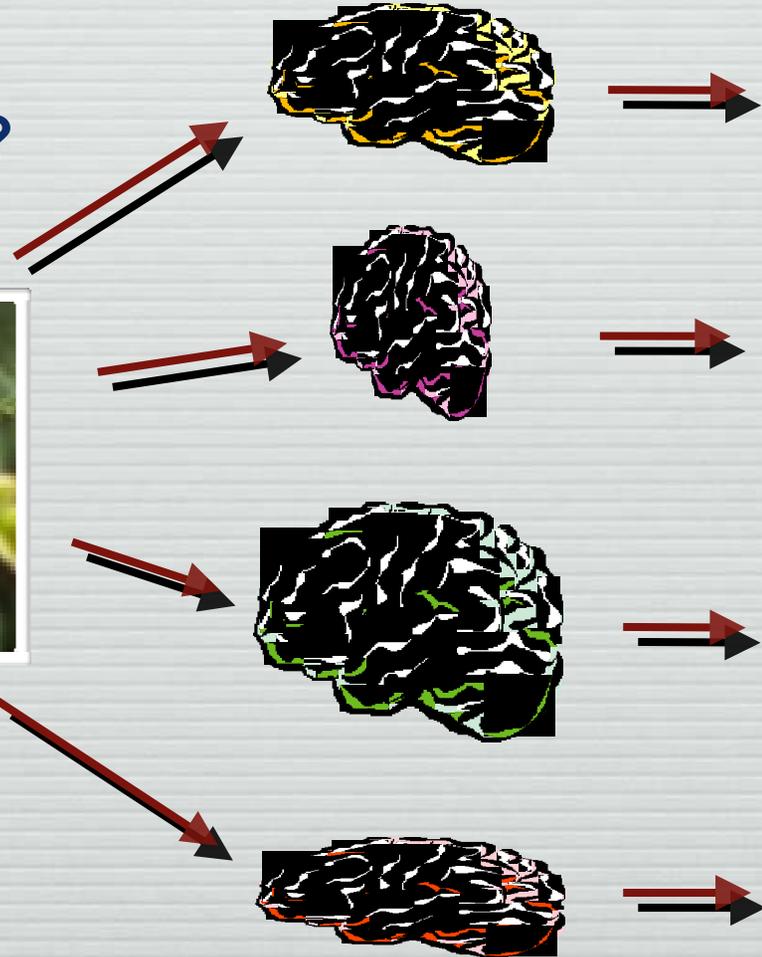
Clones Create Clones

What is a rose?



Diversity Multiplies Stimuli

What is a rose?



“Beauty”

“Vitamin C Tea”

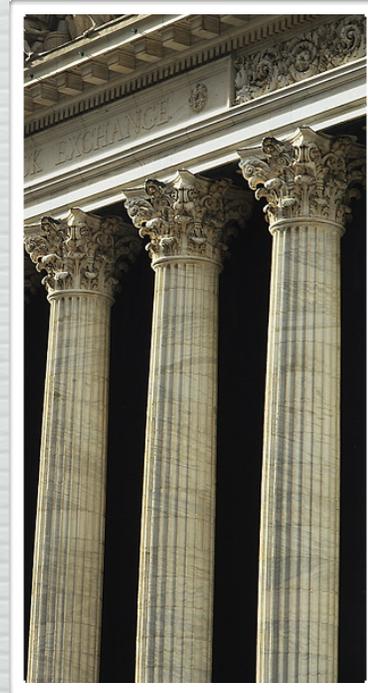
“Rose Water”

“Tango”



Importance of Sales & Marketing

FACT: Sales messages that articulate an Overt Benefit and Real Reason To Believe are 5 times more effective.



Successful Marketing Messages



Reverse Engineered
The Success/Failure
of 4,000 Ideas





Useful

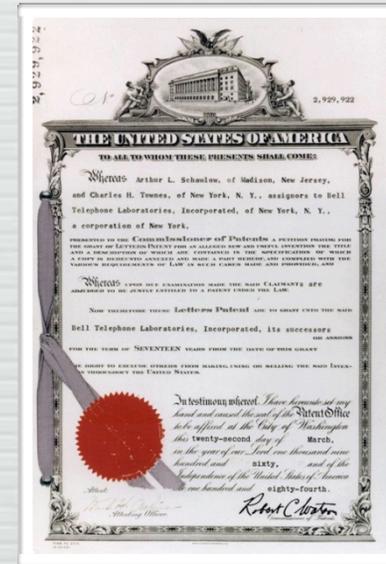
- Overt Benefit

Claims “How”

- Real Reason to Believe

Novel “Not Obvious”

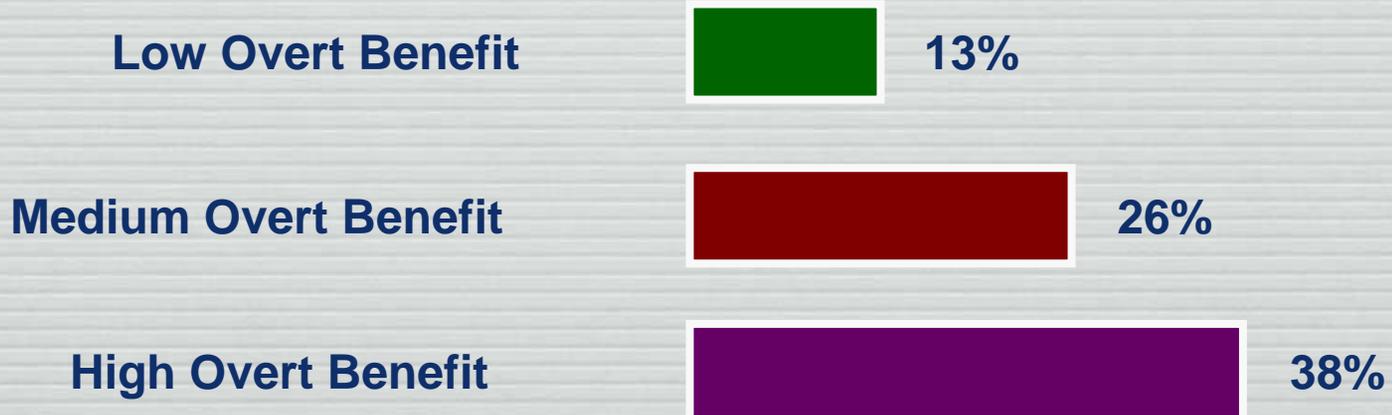
- Dramatic Difference



Overt Benefit

You **TRIPLE** the effectiveness of your marketing efforts by **OVERTLY** communicating your customer benefit

Probability of Success



Features Are **NOT** Benefits

Features are the

- **Facts**
- **Figures**
- **Technology**
- **and Details**

That make up your offering

Benefits are “What’s In it for the Customer”

What they will

Receive, Enjoy, Experience

In exchange for their

Time, Trouble, Trust and Money

Examples of Features vs. Benefits



Feature

**One-hand Spin
Deployment**



Benefits

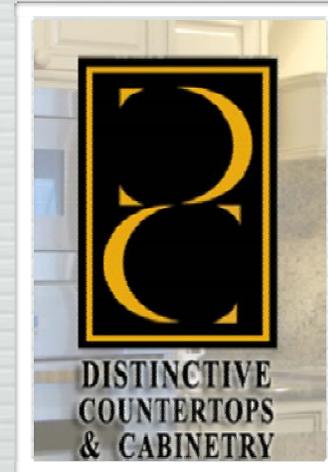
**Safe & Reliable
Opens & Closes
Without Touching Blade**

Examples of Features vs. Benefits



Feature

93% Quartz Crystals



Benefits

**Prevents Scratches
& Chips**



Water Faucet



Product Description

The finest quality faucet available.

Made from heavy cast brass patterns, copper tubing with stainless steel and aluminum accessories, these faucets are designed, built and tested to last for the life of your plumbing system. They're the BEST Available.

Specific Benefits

Our Industrial Water Faucet...

1. Provides 3 times greater flow
19 vs. 6 gallons per minute at 25 psi
2. Installs in half the time
Use a standard 1 3/8ths drill bit
vs. Chiseling a 3 inch hole



Example of Numeric Benefit



**Under extreme heat
our Air Blasters
produce up to 50%
more force than
competition.**

Specific & Numeric Benefit Advantages

Overt Benefit Advantages . . .

Clear Benefits . . .

Features . . .

Confusion . . .

Exercise: Features to Benefits

Ask: What's in it for me? (the customer)

Feature	Benefit

Real Reason to Believe

You **DOUBLE** your odds of Success when you Communicate a **REAL REASON TO BELIEVE** That your **OVERT BENEFIT** will be delivered.

Probability of Success



Lack of trust is at EPIDEMIC PROPORTIONS

**93% of consumers do not have
confidence in the advertising
messages of major corporations.**

-Yankelovich



Lack of trust is at EPIDEMIC PROPORTIONS

**64% of consumers do not believe
that the news media get their
facts straight.**

USA Today/CNN/Gallup





Your Overt Benefit Should...

DEMAND

Real Reason to Believe





beautiful for life™

**THIS STONE ISN'T
AFRAID TO GET WET.**

*With Q-Seal, you never have to reseal or
worry about water and stains*.*

Q-Seal is the most effective sealer available, and
makes natural stone as easy to care for as ceramic tile.

Our permanent protective sealer is baked right into the tile,
not painted on like ordinary sealers. So you never have to
reseal or buy special stone cleaners—just relax in
the luxury and beauty of your home.



Q-SEAL™

www.questech.com

Q-Seal™ is a trademark of Questech Corporation. ©2007 Questech Corporation | *Tiles protected by Q-Seal™ are guaranteed never to need resealing as long as you own your home.

Questech

Great Benefit

*No need to ever
reseal tiles*

Why should I
believe it's true?

***“baked in not
painted on”***



MEP
Network

The truth about why we can/might do what others can't...

A REAL Reason to Believe. . .

Credibility Offered . . .

Insider Knowledge . . .

Assume Trust . . .

Dramatic Difference

You **TRIPLE** your odds of success when you offer a **DRAMATIC DIFFERENCE** in Overt Benefit & Real Reason to Believe

Probability of Success

Low Dramatic Difference



14%

Medium Dramatic Difference



40%

High Dramatic Difference



53%



Dramatically Different

(Harvard Business Review)

370%

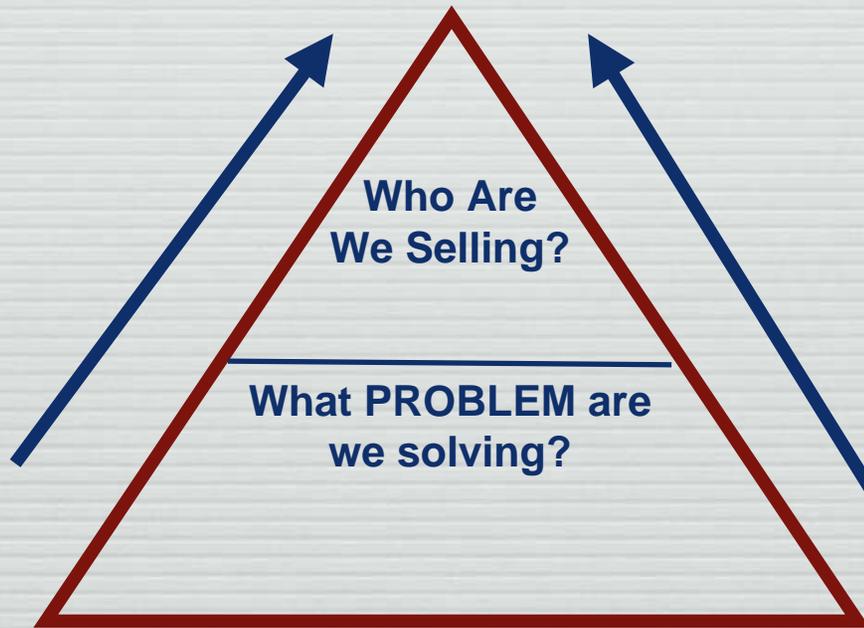
**Greater chance of profitable success
for ideas that are
Extremely/Very Unique**



Dramatic Difference

In Overt Benefit & Real Reason To Believe

Why Should I Care?



Overt Benefit

What's in it for me?



Real Reason to Believe

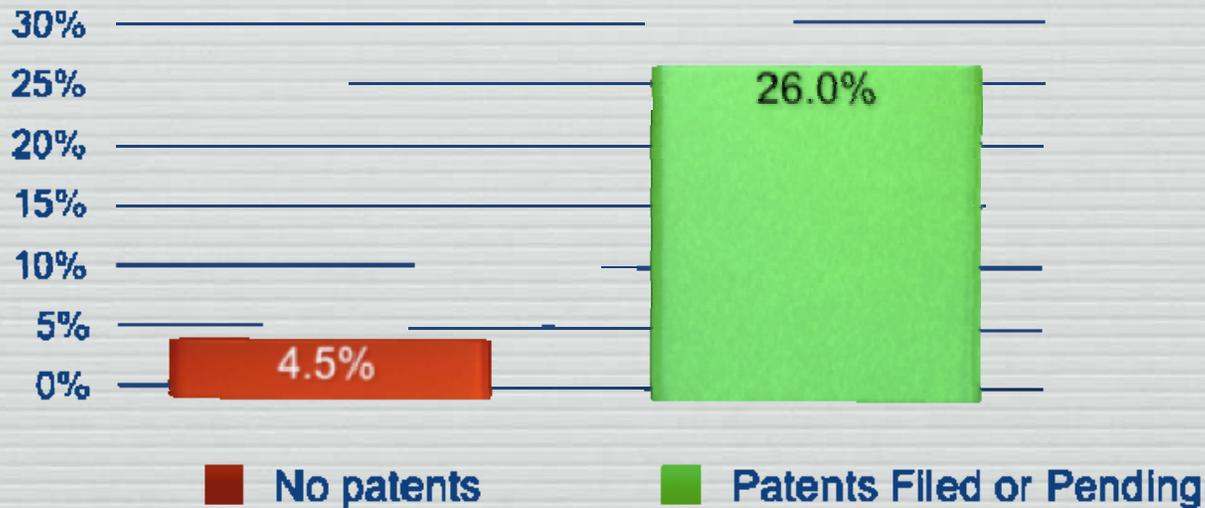
Why should I believe you?

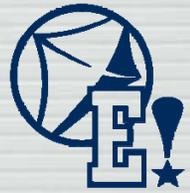


Ideally, Dramatically Different Ideas are Patented

Patents or Pending Patents Drive Growth

More choices = 5.8 times faster growth





If you're not **UNIQUE** you better be **CHEAP!**

Overt Benefit - Real RTB

- Now for the first time

Newsworthy

- Numeric Clarity
- Wow!

Overt Benefit - Real RTB

New & Unexpected

Overt Benefit - Real RTB

Clear & Expected

Overt Benefit - Real RTB

Confusing

