

New products bring *a winning image*

Daniel E. Lach, managing director of Beaufort International LLC, discusses the importance of accelerating product development in today's market.

Embarking on new product development is not for the faint-hearted. Costs are hard to control; debugging takes ages and unexpected setbacks come fast and steady.

Yet, without new products your company is doomed to death by obsolescence. So, how do you roll out new products faster and at lower cost?

The answer lies in the simple fact that today's market demands efficiency in product performance and design. The best way to get that efficiency is to combine a number of existing and proven technologies into a new, integrated product. Integrating existing technologies is the easiest, fastest and least expensive way to get new products to market in the least possible time.

Here are some examples:

- An X ray security scanner will be far more competitive if it also checks for trace radiation, plastic explosive elements or small dust-sized particulates.
- A smoke detector that has a passive infrared detector operating concurrently or possibly a temperature-monitoring device could serve dual functions.
- An internal public address system could double up as a fire and security voice evacuation system, thereby removing the need for ineffectual sounders.

In all these cases, the product does not require new technology, but simply the merging of existing technologies into a newly-combined package.

In the past, the fire and security industry has always given up significant profits to large multi-national system integrators. These firms specialise in "cherry picking" the best products available and then combining them into attractive packages for supply to end-users.

However, by integrating technologies, the need for the system integrator becomes diminished. More importantly, this also results in greater profits to you, the individual product manufacturer.

How do you initiate such a process? Begin by talking to your customers. They

are your best source in identifying the need to combine your technology with that of another.

Once you understand that need, get out there and contact the providers of the complimentary technology you require. Open up with these people. Share your ideas. Don't be afraid to discuss the strengths and weaknesses within your firm.

If their products and technology are not in direct competition with yours, you are much less vulnerable to competitive threat from them than from identical technology providers.

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Compare sales networks. Combining technologies may make your product marketable through your potential partner's distribution channel.

In negotiations, decide early on how profits will be shared. Who has the more efficient manufacturing capabilities? Who has the technology that is more difficult to source? Remember, by simultaneously negotiating with a number of participants, you are better placed to strike the best deal for your company.

More importantly, remember that simultaneous discussions enable you to accelerate the decision-making process. The important aspect here is speed. The ability to move things forward at an accelerated pace will ensure your advantage in the market place. A partner that responds quickly to your requirements is worth a lot more than one that doesn't give you and your project top priority.

In many situations, the obvious is frequently overlooked. Selling a sandwich will yield a greater gross margin than selling the bread and meat separately.

Similarly, you should avoid selling your

product independently to those that combine it with someone else's on a regular basis.

Seek out that other manufacturer and see if it is possible to combine your products into one package. In most cases, significant savings may be achieved in minor design changes, which could make it possible to share cabinet space, power supplies, component purchase volumes, or even simply packaging or transportation costs.

The added value lies within the integration you can achieve. Maximising the level of integration you can achieve should be your first priority.

By leveraging your integrative efforts with a number of different partners, it may be possible to transform one product into a diverse range.

With your technology as the anchor, different ancillary functions may be added. A combination security panel and watchman's key monitoring station, perhaps? How about a head detecting both trace carbon monoxide and emissions from a major combustion source?

The possibilities are diverse. The more imaginative the diversity, the greater potential your product has to gain awareness among your customer base.

As an added benefit, imaginative and innovative products also encourage a greater awareness of your company among other technology holders. Some of these may have ideas that you had not yet considered. They will come to you.

Take your innovative products to the media. The more innovative they are, the more likely free publicity will be obtained. Utilise the imaginative example of one extraordinary product to increase the visibility of your more conventional ancillary products as well.

And remember, regular introductions of new products make you and your company look fresh and dynamic.

New products present a leading image to your customers. They also motivate your sales people and provide you with a good reason to go out and celebrate. ■

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