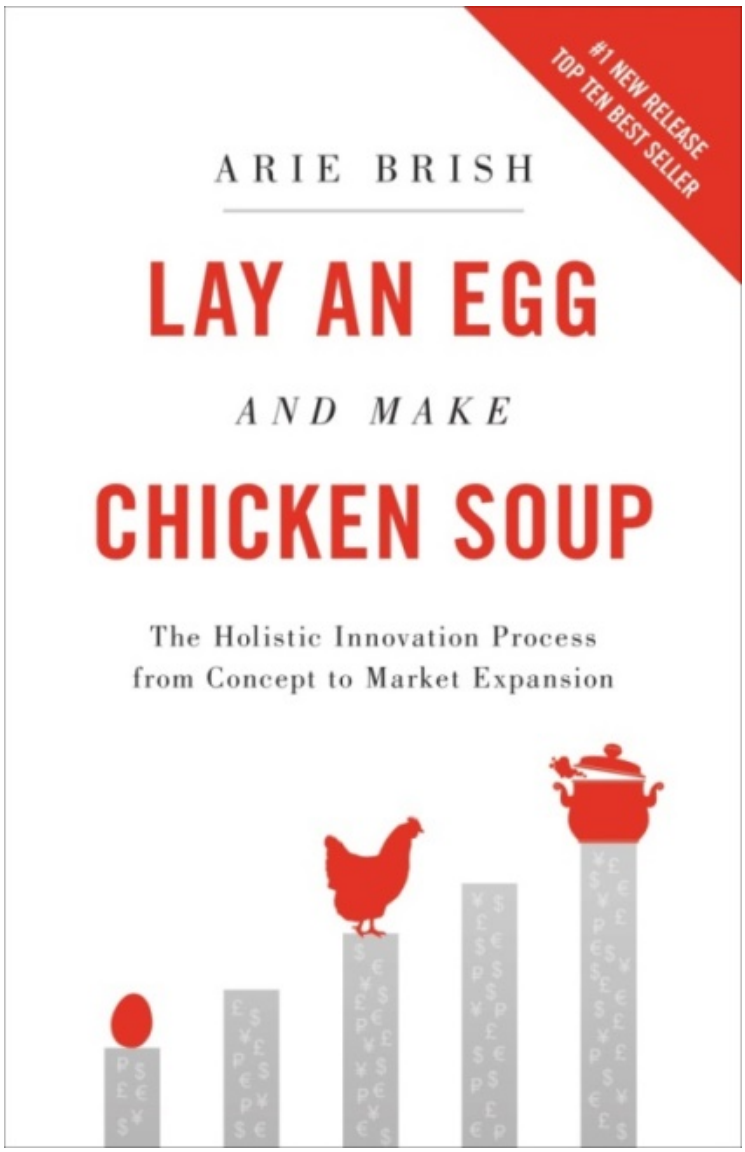

#1 NEW RELEASE
TOP TEN BEST SELLER
ARIE BRISH
LAY AN EGG
AND MAKE
CHICKEN SOUP
The Holistic Innovation Process
from Concept to Market Expansion

SUMMARY

Innovation, New Products, and Success – The Devil is in the Details

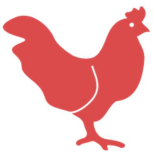
Innovation is the lifeblood of any business. Any business must innovate continuously if it doesn't want to become a follower.

"Innovation is what distinguishes between leaders and followers."

Steve Jobs,
former CEO of Apple Inc.

Toyota realized the value of innovation and created a system of innovation that produces 1 million new ideas per year! That is two new ideas per minute. (Matthew E. May's In Pursuit of Elegance: Why the Best Ideas Have Something Missing offers insights into that system based on his having been a close adviser to Toyota for nearly a decade.) The innovation process, from idea conception to market expansion, is a multidisciplinary holistic one. Most executives are familiar with a few of the aspects, which they were exposed to during their earlier career, but very few C-suite leaders have hands-on experience with all the disciplines.

That reality became my motivation for writing the book. The main purpose of Lay an Egg and Make Chicken Soup is to introduce the multifaceted new products or services process to those executives who need a broader look at business innovation and how all the moving parts are supposed to work together. The people that will benefit the most from this book are founders of start-ups, CEOs, general managers, CFOs, venture capitalists, corporate directors, product managers, and new business owners.



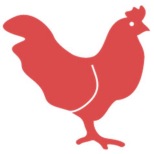
This book will also be valuable to any executive who deals with new products, even if his or her focus is only on one aspect of the process, because you will become a better team player by familiarizing yourself with your colleagues' responsibilities and challenges.

A successful new product has multiple ingredients that must be mixed together strategically. Leaving out any one ingredient may spoil the whole dish. Those ingredients include sparking a vision, getting it funded, having it designed, managing the operation, developing the synergistic ecosystem, marketing it, selling it, and supporting the customers to keep them happy so they will spread the word among their friends and colleagues. Start all over ASAP, of course, to keep the competition from catching up with you.

"All the great ideas and visions in the world are worthless if they can't be implemented rapidly and efficiently."

Colin L. Powell,
former U.S. Secretary of State

The book will provide you with a glimpse of all the disciplines involved in the new products process. Although I've concentrated on devoting one chapter per topic, these disciplines are interrelated. So you'll see some repetition of ideas and nuances.



I have been blessed to work in multiple industries. One important lesson I learned by doing so is that there is a great deal of experience one industry can learn from another. “Business as usual” in one industry might be a radical out-of-the-box concept in another. In Lay an Egg and Make Chicken Soup I have tried to cover many industries to expose the reader to different ways of doing things in different vertical segments. Some of the verticals covered in this book are: technology, automotive, cyber security, communication, mobile phones, chemicals, fashion, entertainment, gaming, construction, transportation, food, sex, jewelry, health, energy, sports, alcohol, gangs, banking, insurance, airlines, aircraft, religion, tattoos, and—last but not least—poultry farming. Some more, some less.

The case studies are likewise geographically diverse, and in some examples I underscore the difference between corporate innovation and innovation at a start-up. When the differences between the two are significant, I address both separately.

Many of the case studies are intentionally old. But I’ve included a few modern case studies too, of course, to strike a balance between the remote past and the most recent past (i.e., the present). My motivation for illustrating my points with the old examples is twofold: First, in the business world especially, you have to have some time perspective to see the whole impact of a certain strategy. The full historical impact of a new product or service introduction is revealed only after significant time has passed. Second, my target readers are “first timers” to higher levels of leadership, and they may not be familiar with these tried-and-true examples and their long-term impact.

A second group of real-life examples comes from interviewing industry executives. And a third group of case studies are from my own experience.

Marketing 101: A good product is one that solves people needs. <7> Humans need to eat, so invent food. People need to drink, so invent water. Individuals need to get from point A to point B, so invent a horse. So far pretty basic stuff.

People want to communicate with their Grandma so you invent facebook? Not so quickly. Things are getting fuzzy now. The link between the need and the product is not so straight forward anymore.

The human mind needs to get more imaginative in the invention process to come up with a solution to problems. The basic concept stays the same: Solve a problem. The road to the solution is twisted and convoluted these days. The common belief for long time was that between your personal vehicle, your two legs, and different forms of traditional public transportation, all our transit needs are met. UBER came along in 2009, over a century after the invention of the automobile, and introduced a new transportation approach – “Crowd Car Sharing”.

Let’s say you found a great solution to a painful problem. Congratulations. The path to a successful business is convoluted and full of hurdles to be overcome. This book will walk you through these hurdles so you will know what to prepare for in your business plan. This chapter is a quick checklist in case you don’t have the time to read the whole book.

How do people solve this problem today?
Maybe the status quo is good enough? Remember: People are normally resistive to change. Your new idea needs to be significantly appealing to break the status quo.

Are the basic technology building blocks available today?
Or do you need to conduct additional technology research to facilitate the product (which will add significant budget and schedule risk to the program). A breakthrough product doesn’t necessarily need a breakthrough technology. UBER is a perfect example. They did not invent new technologies, but rather integrated different existing technologies to provide a new service.

Is the needed ecosystem ready for your innovation?
Let's say you invented the telephone. Your invention will not become pervasive until the infrastructure will be ready with a web of connections that will be able to route calls from person A to person B.

What will be the cost of the product?
Will people pay the price you need to make this venture profitable? First modern area computer was built in the 1940s, however it took another 40-50 years until it became affordable to become a personal computer.

Are there any alternative solutions that will compete against your product?
Even if you are the only airline to fly from city A to city B, it doesn't mean you don't have competition. Your competition are trains, buses, private vehicles, car rental, or even video call.

What is your business model?
How will people buy your product? Is it off the shelf ready to be used by the end customer? (Example: sell eggs in the supermarket) Or will you sell it to other businesses to be integrated into their product higher in the food chain? (Example: Sell eggs to bakeries). What are the distribution channels? What is your marketing strategy? Training to sales people?

What is the time line to productize the idea?
Will it still be relevant when the product is ready to market? What are the odds that by that time more competitors will enter the market?

What is your barrier of entry?
How easy is it to copy-cat? One thing to remember, having a patent is not a protection unless you have millions of dollars set aside to sue any infringements.

What is your development budget?

Do you have the resources to fund the product development? Or do you need external funding? Do remember that “development budget” doesn’t mean three prototypes in the lab. Development budget must include all the phases to product commercialization, as this very list demonstrates.

Is the product scalable?

Is it relevant to other geographies or market segments as is? Or do you need to modify it to fit other markets? What is your high volume manufacturing strategy? Will you build it yourself? Or subcontract to a third party manufacturing house?

What is your quality assurance plan?

How will you make sure it will work reliably in the summer of Saudi Arabia as well as the winter in Finland? What’s its resistance to vibrations? Fall on the floor every now and then? Water resistance? (Will it survive a rainy day? Or your sweat while working out with it?) Electro-magnetic field interference? (remember the days when the notebook would freeze when you boarded an airplane?) Health side effects?

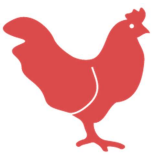
Does it require to be certified by any standard body lab? Do you need approval by insurance agencies? Does it need to be permitted by any government agency? Does it include any banned ingredients?

What is your customer support plan?

Develop and train an 800-help line? Develop repair labs and train its technicians?

Warranty plans?

Remember, warranty plans are not just about having one to satisfy a product check list, but rather making sure that the quality of the product is good enough so the warranty returns will not bankrupt you, nor will they create bad reputation to your brand.



Do you need to develop documentation to go along with the product?
If you target the global market you need to plan for multi-lingual documentation.

Once you have a draft plan, you must address the **risks** associated with the plan, and plan mitigations for the most critical ones.

Getting this entire detailed plan will cost you time and money, and this is before you even decide if your idea makes sense. This is a **chicken and an egg question**. In this case, “laying the egg” is not a one-time event. You lay the egg in phases.. (This is not a biological statement however). You don’t need to answer all the questions on day one, but rather develop a feasibility study plan that will take you through several go-no-go gates, each to answer some of the questions before you move on to research additional questions. Some of the questions are statistical in nature, thus one circle may be a small sample, the next gate will be a larger sample, etc. Large corporations have people on the payroll to go through the innovation process. The individuals are getting paid to do it, while for the corporation it is a tiny fraction of their budget.

In case of entrepreneurship however, life is more complicated. A potential entrepreneur will start the process while still working for a previous employer. Only when convinced that s/he passed enough gates will s/he quit the job and start spending more time on this idea. If the entrepreneur is already out of a job, s/he wants to move through these feasibility gates rather quickly because they need to raise some money to start collect a paycheck to put some food on the table.. Obviously, when the entrepreneur is independently wealthy the time pressure is less tactical but more strategic: You still want to launch the new idea as early as possible and get some return on the time/money invested in the venture.

As we said: The Devil is in the Details