

Organic Growth Roadmap Action plan & syllabus for the B2B Organic Growth video series

There's a lot to remember in the 50 video chapters of the *B2B Organic Growth* series (www.B2BGrowth.video).

You can make it *actionable* with this two-part guide:

- Roadmap: Three-part action plan to improve growth
- Syllabus: Abstracts & links for all 50 video chapters

Roadmap: Three-part action plan to improve growth

You've covered a lot of ground in the 50 video chapters at www.B2BGrowth.video, and your question might be, "Where should my business start?" Fortunately, the AIM Institute has worked with B2B companies making sewer pipes to satellite components, and nearly everything in between. Unless your B2B company is very different, you'll do well to follow this roadmap:

- 1. Become driven by new goals
- 2. Build new growth capabilities
- 3. Require evidence of customer needs

1. Become driven by new goals

"Maximize shareholder wealth" turns out to be a poor goal (<u>Chapter 5</u>). Replace it with "Understand and meet customer needs better than others." (<u>Chapter 8</u>).

You'll need to give your new goal "teeth." Do this by measuring your progress on 24 growth drivers to "understand and meet customer needs." The Growth Driver Index (GDI) metric is your overall percentile ranking against peers on these drivers (Chapter 49). One of your business leaders' top performance objectives should be to improve their GDI year over year.



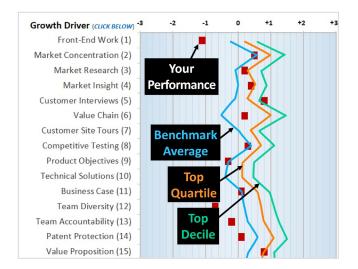
This will help you improve the balance between results and capabilities (<u>Chapter 49</u>)... reprioritize major initiatives (<u>Chapter 8</u>)... extend your time horizon (<u>Chapter 10</u>)... avoid dangerous 2nd order effects (<u>Chapter 11</u>)... reduce organizational friction (<u>Chapter 38</u>)... and identify and reward the Builders in your company (<u>Chapter 3</u>).

START HERE: Learn about the Growth Driver Index (GDI) metric in the white paper, New Innovation Metrics. Then assess your starting-point GDI by running the B2B Growth Diagnostic in your groups or divisions. (Both are free resources.) Finally, make *improving* their business's GDI part of your leaders' performance objectives.

2. Build new growth capabilities

Be strategic about *which* growth capabilities you'll improve (<u>Chapter 13</u>). Unless your B2B business is atypical, focus on drivers to *understand* customer needs (<u>Chapter 12</u>).

Combine two types of intelligence: 1) an assessment of your current growth capabilities, and 2) research on how other B2B companies drive growth. You now have tools to look at the *same* 24 growth capabilities from both perspectives.



If your business—like most—decides to focus on *understanding* customer needs, you'll get better at market concentration (<u>Chapter 17</u>)... qualitative Discovery interviews (<u>Chapter 25</u>)... quantitative Preference interviews (<u>Chapter 27</u>)... probing skills (<u>Chapter 26</u>)... customer tours (<u>Chapter 33</u>)... and value calculators (<u>Chapter 34</u>).

START HERE: Use the <u>B2B Growth Diagnostic</u> to assess your proficiencies in 24 growth drivers. Download <u>What Drives B2B Organic Growth</u> to see which growth drivers have most benefited other companies. Then develop a multi-year plan to build key growth capabilities. Refresh it as part of your annual strategic planning cycle.

3. Require evidence of customer needs

Your new-product teams need to show unbiased, unfiltered *evidence* of customer needs. And your business needs a metric to know how much evidence-based innovation is being practiced.

Market Satisfaction Gaps (Chapter 35) are generated from quantitative customer interviews. They tell you which outcomes —if any—customers are eager to see you improve. The Commercial Confidence Index (Chapter 49) shows how much of your R&D spending is aimed at "known" customer needs vs. "guessed" customer needs.



Employing Market Satisfaction Gaps and the Commercial Confidence Index will help your business increase its use of Preference interviews (<u>Chapter 27</u>)... engage customers more closely (<u>Chapter 29</u>)... accelerate your time to money (<u>Chapter 38</u>)... build stronger business cases (<u>Chapter 37</u>)... stop squandering R&D (<u>Chapter 49</u>)... and eliminate most commercial risk in the development stage (<u>Chapter 23</u>).

START HERE: Learn how Market Satisfaction Gaps are generated with the white paper, Market Satisfaction Gaps... and learn about the Commercial Confidence Index (CCI) metric in the white paper, New Innovation Metrics. Begin training your teams in how to gather evidence of customer needs. (See www.blueprintingworkshop.com.)

Syllabus: Abstracts & links for all 50 video chapters

You can view all 50 video chapters at <u>www.B2BGrowth.video</u>. Or use this syllabus to view any of these two-minute video chapters:

- **1.** Intro to *B2B Organic Growth*: The methods introduced in this series are based on solid research and AIM Institute's experience training tens of thousands of B2B professionals. Here's why these methods will be commonplace someday.
- **2.** Superior B2B growth is *challenging*: The "Red Queen Effect" has your business running as fast as it can *just* to stay even with competitors. You need to compete *differently* if you want rapid, profitable growth you can rely on year after year.
- **3.** Be a business builder: Business leaders can be classified as Builders, Remodelers, Decorators, and Realtors. If you want rapid, profitable, sustainable growth, you need to find and reward the Builders among you.
- **4.** How much growth did you earn?: There are three types of growth: inherited, market, and earned growth. You can only control the last type... which only happens when your new products offer greater value than competitors.
- <u>5. Shareholder wealth is a poor goal</u>: "Maximizing shareholder wealth" is a lovely result but a lousy goal. Goals need to be actionable and inspiring. A better goal is, "Understand and meet customer needs better than others."
- **6. Pursue market-facing innovation**: Research shows exceptional companies pursue "better before cheaper" and "revenue before cost." Since only *customers* decide what is "better," your innovation must be driven by the market.

- **7. Catch the innovation wave**: The earlier Quality and Productivity Waves separated winners from losers. The Innovation Wave will be even bigger because it never reaches a point of diminishing return—unlike earlier Waves.
- **8. Rethink your major initiatives**: Want rapid, profitable, sustainable growth? Most otherwise-fine initiatives *cannot* deliver this, e.g. productivity, quality, sales training, customer intimacy, global expansion, and acquisitions.
- **9.** Avoid the commodity death spiral: When you stop innovating for customers, your path is marked by lower pricing, lower profits, budget pressures, cost reductions, reduced innovation capability, and then death or "life support."
- **10. Extend your time horizon**: Financial results are like the output of an extruder. For better output, change what you feed the hopper. Focus on new-product innovation to move from a spectator sport to participant sport.
- **11. Avoid the pitfalls of 2nd order effects**: First-order actions like spending freezes and travel bans lead to second-order growth declines. Your leadership team needs to be wary of "first-domino fixation" and "first-domino amnesia."
- **12.** Know what *really* drives growth: AIM research based on 10,000+ years of experience shows B2B professionals are especially eager to improve their business capabilities to understand customer needs (vs. meet them).
- **13.** Build your growth capabilities: Leaders need to balance their pursuit of "results" and "capabilities." Today, most are *way* out of balance. They pursue near-term results, and then hit the "reset" button to do it all again next year.
- **14. Understand your B2B advantages**: Companies that serve B2B markets have enormous *engagement potential*. Their customers have high knowledge, objectivity, interest, foresight... and there are relatively few of them.
- **15.** Put your B2B advantages to work: The B2B Index is a free website tool that lets you calculate "how B2B" your markets are. You can download a booklet loaded with advice for "early-stage" and "late-stage" marketing.
- **16. Segment by markets for innovation**: There are many ways to segment customers, but for innovation purposes, segment into "clusters of customers with similar needs." Do this to maximize your effectiveness *and* efficiency.
- **17. Concentrate on winning markets**: Market concentration takes market segmentation to the next level. It's the *disproportionate* concentration of resources on markets you identify as "Attack" or "Study" in strategic planning.

- **18.** Avoid the faster horse fallacy: Henry Ford's famous quote discourages asking customers what they want. ("They'd say a faster horse.") But this overlooks two key factors: 1) B2B vs. B2C, and 2) Outcomes vs. Solutions.
- **19. Stop leading with your solutions**: There are two innovation problems: "What's the question?" and "What's the right answer?" Most companies waste R&D resources because their solutions don't address real customer needs.
- **20.** Begin with customers' job-to-be-done: Instead of starting with their solution, B2B companies should begin with the customers' "job-to-be-done"... and learn which outcomes are leading to "imperfection" in that job.
- **21.** Give your hypotheses the silent treatment: It's OK to have a cool hypothesis, concept, or technology, but test it "silently": Focus on customer *outcomes* in interviews, and later check if your hypothesis addresses them.
- **22.** Immerse your team in customer outcomes: During interviews, customers give you Outcomes, Solutions, or Background. The science of B2B customer insight lets you examine outcomes at 9 increasingly-detailed "magnifications."
- **23.** Eliminate most commercial risk: For 5 decades, commercial risk—not technical risk—has been the leading cause of new-product failures. Follow this 11-step path to eliminate most commercial risk in the front end of innovation.
- **24.** B2B Interviewing fundamentals: B2B interviewing should be very different than B2C. These methods help you eliminate most errors of omission (using divergent interviews) and errors of commission (convergent interviews).
- **25.** Let your customers *surprise* you: In most business situations, you don't want surprises. But you *do* want to be surprised by customer needs missed by competitors. You need to conduct interviews led by the customer, not you.
- **26. Build your interviewing skills**: Great B2B interviewing requires new skills, e.g. AIM's "What and Why" method and economic probing questions. Use these to gain impressive customer insights *and* engagement.
- **27. Quantitative interviews are a** *must***:** Don't skip Preference interviews, which reveal important, unsatisfied customer outcomes (with high Market Satisfaction Gaps)... the only ones you can get premium pricing to address.
- **28.** Persuade customers to be interviewed: Many B2B companies struggle to convince customers to be interviewed. Here are our four favorite approaches, which have been proven effective all around the world.

- **29.** *Engage* your B2B customers: While the main goal of an interview is customer *insight*, B2B companies should also pursue customer *engagement*. Here are 10 ways to boost engagement and shorten your "time-to-money."
- **30.** Trigger fresh ideas in customer interviews: If you want to unleash the full brainpower of B2B customers during a qualitative Discovery interview, introduce them to a trigger method. One such method is the Trends Map.
- **31. Conduct** *virtual* **customer interviews**: Sure, in-person interviews are the gold standard... but "virtual VOC" has surprising advantages. Blend in-person *and* web-conference interviews to optimize effectiveness and efficiency.
- **32.** When to use "hired guns" for VOC: Should you hire a firm to conduct your voice-of-customer interviews, or train your own people to do this? Consider these four factors to find the answer for *your* business.
- **33.** Conduct B2B customer tours: Supplement your customer interviews with tours. Use them to a) gather context for interviews, b) look for improvement ideas, and c) gather economic data for new-product pricing later.
- **34. Use value calculators to establish pricing**: These let you move from supplier-focused pricing (cost-plus) and competitor-focused pricing to customer-focused pricing. It's the *only* way to avoid leaving money on the table
- **35. Insist on data-driven innovation**: These 4 common practices practically ensure *confirmation bias* and squandered new-product R&D. Escape this trap with quantitative interviews and Market Satisfaction Gaps.
- **36.** Benchmark competing alternatives: The price premium your product gets is driven by its value over customers' *next-best alternative*. Here's the only reliable way to quantitatively assess competing products' value.
- **37.** Build a front-end business case: Here are the 12 points of a strong B2B Business Case. Also consider an abbreviated-but-powerful 6-point "Market Case" as your entry ticket into the development stage.
- **38.** Pursue *fast* innovation: You can deliver \$80,000 of NPV by accelerating a typical B2B new product launch by just one month. Here are 4 ways to accelerate your projects... *and* boost success rates while you're at it.
- **39.** Launch new products with *power*: You want to deliver the right product to the right market using the right message through the right media. To do this, use AIM's approach: "Who to tell... What to tell... How to tell."

- **40. Invigorate your stage-and-gate process**: A stage-and-gate process does much well, but only manages the interface between a company and its teams. Add "customer insight skills" for the interface between teams and customers.
- **41. Technology- vs. Product-development**: Technology development is science-facing; product development is market-facing. The former turns money into knowledge; the latter turns knowledge back into money.
- **42. Beware of new product incrementalism**: It may seem safe to only work on "me-too" and incremental new products. But it's not. Adams' Risk Paradox is, "A business built on low risk is at great risk."
- **43.** Why risk and uncertainty are different: Many companies err by assigning risk levels, probabilities, and rates of return in the early phase of transformational projects. Focus on uncertainty—not risk—for better results.
- **44.** How to pursue transformational projects: In a post-mortem, the landmine that blew up your project is obvious. Here's how to detect and defuse potential landmines in "premortems"... when you can do something about them.
- **45.** How to manage transformational projects: You'll have better project reviews when management sees you've 1) generated assumptions, 2) rated them for impact & certainty, and 3) diligently investigated the critical ones.
- **46. Study your industry's future**: It's more important than ever to study your business's future: Change can be swift and punishing. Download 16 future trends sheets to help your team see "what could be."
- **47.** Make your sales force a learning force: If your sales force was also a "learning force," you would have an "early-warning system" to focus your R&D on market needs before competitors. We call this "market scouting."
- **48.** Beware of B2C innovation shortcuts: There will continue to be cool new innovation methods, e.g. Lean Startup. Before you deploy them "as-is," though, evaluate them using a B2B-vs.-B2C filter to avoid costly mistakes.
- **49. Employ new growth metrics**: The Vitality Index (% of sales from new products) is a helpful, but *lagging* indicator. Here are two new *leading* metrics: Growth Driver Index (GDI) and Commercial Confidence Index (CCI).
- **50. Your organic growth roadmap**: You've covered a lot in 50 video chapters: Where do you start? This video covers 3 suggested steps on a roadmap to greater growth (and also covered in "Organic Growth Roadmap").

Learning More

Use these resources to move your company to greater market-facing innovation and growth...

- Download many white papers at <u>www.aimwhitepapers.com</u>
- Download the free e-book, Reinventing VOC for B2B
- Visit <u>www.newproductblueprinting.com</u> for videos and other resources.
- Contact AIM to set up a private phone- or web-conference

A *great* way to understand New Product Blueprinting is to attend one of our virtual public workshops. You'll experience the same training, e-learning, software, and job aids that learners get with private training. Learn more at www.blueprintingworkshop.com.

