

The problem is we are bored.

They say "It's the economy, stupid." We say, "Not so fast." In their quest to ride out a tough economy, many organizations have chosen to eliminate the very engines of their growth. We're talking about breakthrough ideas.

When's the last time customers were genuinely excited about something your business did? If the answer isn't some day in the last week, chances are you're not well positioned to ride out the current challenging economy or ride confidently into the future.

It's easy to say that business is lousy because "people aren't spending." But our research tells us there is a more practical explanation.

Lethargic sales are the market's way of telling us we're not creating enough new products and services to fuel consumer interest. Businesses aren't giving the marketplace any reason to buy.

We're not alone in thinking this. A prominent men's wear retailing executive recently summed up the dismal state of his industry this way: "Men are bored; that's the bottom line."

We think this applies to a great many categories. Why do we believe this? Because hardly a day goes by that we don't read or hear of another company that is laying people off, closing locations, simplifying product lines and making other cuts, all because—you guessed it—"people aren't spending."

Look around. Retail stores that used to be exciting to visit look more like clearance warehouses now. Consumers have been conditioned to be wary of ever paying full price for anything.

Look a little further and you'll see service providers—everyone from lawyers to doctors to insurance companies—struggling to differentiate themselves from one another.

In the non-profit arena, declines in funding seem to be eliciting more complaints about greedy corporate managers than inspiring serious reviews of purpose, policy and program.

Enough complaining already!

There is always opportunity in the marketplace.

It's so easy to be successful when the ongoing creation of new ideas becomes part of your organization's culture.

Why do we feel so confident about this? Because all around us also are examples of strong, new ideas fueling growth in a tough economy.

Petsmart's racking up double-digit growth by redefining what a "pet shop" can be. Advances in digital cameras have ignited a whole new photographic mania. And does anyone really need a Hummer? No, but they're flying off dealer lots.)

Still not convinced? Take a few minutes and wander over to your neighborhood paint store, as we recently did, to see how Dutch Boy Paints is redefining what a paint container can be.

Forget that old messy metal paint can. Dutch Boy's new paint container, so simple, practical and obvious that one wonders why nobody came up with it decades ago, has in less than six months "opened the doors of distribution for the Dutch Boy brand, making it the most widely distributed brand of paint in the United States and Canada," according to a proud Dutch Boy executive. Oh, and by the way, Dutch Boy's share of market has grown right along with the expansion of distribution.

So even in tough times, Dutch Boy is getting more of the business. And when the market rebounds, their increased share of the market will position Dutch Boy for outstanding growth while everyone else plays catch-up.

Opportunity is life.

New ideas are critical because the traditional means of riding out a tough economy go only so far, and do little or nothing to position organizations for growth. You can match the competition, "right size" your staff and cut other expenses for only so long.

Veteran marketing writer Bob Donath recently observed in *Marketing News*, "Price concessions made today will be hard to reverse tomorrow when the economy recovers." Of even greater concern, Donath further notes, "When you acknowledge and cut 'unnecessary' expenses, you turn over control of your costs to outside approval."

At some point you've got to have new ideas. Chances are the really big successes in your future are going to come from these new ideas. Maybe even new lines of business.

So the idea is to keep lots of new ideas in the pipeline. The best way to do this is to make idea generation a part of your regular process.

You don't miss what you never had.

It's easy to get out of the business of creating new ideas. You hunker down, tighten up and get all your costs in your grasp.

The accountants in the room probably won't disagree with us. But we still believe strongly that the biggest expense in business today is the cost of lost opportunity. We're talking about the opportunity to create new products and services that lead to handsome profit margins and category leadership.

The ironic thing is that it doesn't cost a fortune to identify opportunities. But it does require a basic commitment to listening to the marketplace and to careful analysis of what you hear.

Becoming innovative means asking impertinent questions.

In a recent college graduation address, cartoonist Garry Trudeau observed: "The impertinent question is the glory and engine of human inquiry. Copernicus asked it and shook the foundations of Renaissance Europe. Darwin asked it and redefined humankind's very sense of itself. Thomas Jefferson asked it, and was so invigorated by the asking that he declared it one of our inalienable rights."

In short, making creative breakthroughs means creating a culture when it's okay to ask uncomfortable questions. Like, "Why do we have to always do things the way we've always done them?"

Listening between the lines.

We know we're mixing metaphors. But that's our very point. Like Jim Morrison said, "People are strange." They can't always tell you what they want or how they really feel. They're not trying to trick you. They just don't know what *could be*.

Here's a good example of what we're talking about: At no time during the 13 years of R&D that went into the creation of the minivan did any frustrated consumer ever tell Chrysler than what the world needed was a "mini van."

Yet, by listening carefully to the dreams and frustrations of families, Chrysler recognized significant demand for a new kind of vehicle, one that would literally lift Chrysler from its deathbed and give it a new lease on life.

Today the "gotta have" auto design is coming from Nissan and Audi. But Chrysler knows its future lies in creating innovative vehicle designs, in asking insightful questions and listening, as they say, between the lines.

Another example: The whole time Dutch Boy was studying problems with the traditional metal paint can, no one ever said, "Give us a plastic container with a low center of gravity, an easy twist-off top, a built-in pour spout and a handle that doesn't cut into your hand."

What the market told Dutch Boy was that the old metal paint can had always been problematic, and that women, who now pretty much drive the paint industry, were willing to throw their allegiance behind whoever could solve this problem.

Not just one "big idea," but lots.

Our friends at Rubbermaid used to consider it a slow day when they didn't introduce at least 5-6 new products.

Did the market ask for all of these new products? Probably not. Did these products steal sales from other Rubbermaid products? Probably so. Did they all succeed? No.

But the folks at Rubbermaid knew their chances of hitting home runs improved the more they were "at bat." They believed that if anyone was going to cannibalize their products, it had better be them. And they knew that when they had home runs, they would enjoy handsome profit margins and other perks associated with strong brand and category leadership.

Listening between the lines.

New ideas come from listening and thinking. Bonney & Company has been helping people identify opportunities for over eleven years. We're not loud about it. But you can see our work in the success of clients like Anheuser-Busch, Smithfield Packing Company, Carnival Cruise Lines, NASCAR, AARP and Spirit Cruises. Our work in the public policy field, too, is shaping thinking and legislation in the nation's Capitol and in state houses across the country.

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and the independent sector*

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