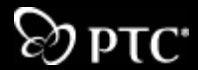




# In the Boardroom

A GLOBAL EXECUTIVE ROUNDTABLE ON INNOVATION AND NEW PRODUCT DEVELOPMENT



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## Readers Weigh In:

**1. To what extent is your sales staff involved with new product development?**

Extensively involved.  
40.0%

Little involvement.  
40.0%

Moderately involved.  
20.0%

No involvement.  
0.0%

Issue 23

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## How connected is your sales staff with product development?

You rely on sales staff to sell a new product after it's been developed, but they should also play a role before and during development. Your sales staff can act as an intelligence unit, gathering information about what customers want and need. The key is to balance sales' input with the realities of engineering a new product. *In the Boardroom* discussed achieving this balance and other issues with a panel of executives and experts.

**Joseph Billings**, Executive Vice President, **WideBand Corp.**, Gallatin, Missouri, USA, [www.wband.com](http://www.wband.com).

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**John W. Holt Jr.**, Chief Operating Officer, **OCO Biomedical, Baxa Corp.**, Albuquerque, New Mexico, USA, [www.ocobiomedical.com](http://www.ocobiomedical.com).

**Graham Milner**, Executive Vice President—Global Innovation, Chief Brand Officer, **WD-40 Co.**, San Diego, California, USA, [www.wd40.com](http://www.wd40.com).

**Mary Rapaport**, Director, Marketing, **Minco**, Minneapolis, Minnesota, USA, [www.minco.com](http://www.minco.com).

**Mark Whaley**, Vice President, Sales and Marketing, **Iowa Mold Tooling Co. Inc.**, Garner, Iowa, USA, [www.imt.com](http://www.imt.com).

Virtual Roundtable

*In the Boardroom :*

### **What role does your sales staff play in product development?**

**Rapaport:** Overall, the sales team is an invaluable part of the product development process. Their direct connection with customers helps provide Minco with the voice of the customer and gives us a feedback mechanism for us to validate the appeal of any product improvements or new product ideas. This helps ensure the company can steer the direction for the new product development process so that it better reflects what the market will respond to.

Our long history and experience working with key customers in our target industries allows sales to function as "field experts" who can report and advise on where the market is going. This is especially true for our business because a sizable portion is custom-driven and built to customer requests. Sales plays a major role in representing customer needs, wants and careabouts. And this is critical in planning for the next generation of our products.

As we have new products developed and ready for testing, sales is a vital link in helping to identify customers who are good candidates for our beta programs.

**Milner:** Consulting with the sales force is a key component of the new product process at WD-40 Company. The role, however, varies by project.

For example, we have done specific brainstorming with the entire sales force on brand-specific initiatives, using professional facilitation to garner new product ideas on a specific brand(s).

We have also taken ideas from individual sales professionals and created prototype packaging with formulae that the sales team have then taken out to key accounts to gauge receptivity to the concept. The results of these field tests often drive further development (or not) of the idea. This is usually a line extension of a specific brand where the sales proposition and the retail customer channel [are] very clear.

We have also taken conceptual ideas to transform existing brands vs. brand extensions, a year to two years out, and developed them with marketing and mini sales presentations. Sometimes [we do this] with rough prototypes and formulae, other times [it's] simply a concept to key retailers to gauge their feedback and garner retail input.

**Billings:** Our inside and outside sales staff acts as feedback collectors. Our sales organization consists of a large outside sales force of independent resellers and an inside sales team that supports our reseller partners. Our inside sales team listens closely to customer feedback reports from the field, such as requests for new features, new products, or improvements. When the feedback holds weight or starts to form a consensus, then a report or request is passed up to the executive level and R&D.

**Whaley:** The IMT sales staff plays a crucial role in identifying initial product development activities. The sales staff provides recommendations that are directional in nature and are then transferred to our product managers, who are ultimately responsible for obtaining the "voice of the customer," which is of paramount importance because it helps guide the product managers as they formalize product development priorities and development activities.

**Holt:** Since we are a lean, vertically integrated company, designing, manufacturing and

distributing innovative dental implants and attachment systems, we are all involved with the development and refinement of new and existing products. In addition, our customer base, dentists, prosthodontists and oral surgeons, purchase products from us directly and are always providing feedback to help us improve our products or create new products.

**Haley:** The sales staff should really play a research role, which is basically to determine what the customers' needs are. Salespeople are the people who have the greatest contact with the customers. They speak to them day in and day out; they have a much greater capability to determine what the customers' needs are.

They also, for that matter, have a very good — probably the best — potential for figuring out the way the customers make decisions, what kind of things they value, and what kind of things they put emphasis on when they make their decisions. That's a tremendous assistance to the engineers, the sales manager, the promotional staff. ... When it comes time to develop the materials for product education — the way it's presented, the way it's spoken about ... all of this should be primary areas where the sales group has primary influences.

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*In the Boardroom :*

### **How do you balance sales staff input with engineering and design realities?**

**Rapaport:** Balancing what is technically possible with what is real and practical is an essential factor in designing for the manufacturing process. I think a lot of companies — especially those making custom products — have to deal with this challenge on a regular basis. At Minco we know the project requirements will vary by customer, so we need a high level of collaboration and discussion between sales and engineering. The more they work together to overcome the design challenges and constraints, and the more they include the customer in this process, the stronger the design and the better the final product becomes.

Providing technical design and applications training to the sales team also plays a critical part in enabling this collaboration. The sales team needs to have a level of technical expertise that adds value to the whole selling and design process. Solid training ensures that everyone can speak the same language and adds value to the conversation.

It's also important to put a strong design for manufacturing process in place. This allows the sales team the appropriate design and solution flexibility that will ensure customers get truly innovative products, and ensures that engineering isn't faced with entering the manufacturing process with a design that is problematic — resulting in increased cost for the company, and a variety of other issues for the customers.

**Billings:** The key to balancing input and realities is an executive level that understands the importance of customer demands but also has the background to weigh the engineering problems as they are brought up. The technical background of our executive team allows them to be very involved in the design decisions and in finding the changes that will do the most good from the customer point of view. This is especially important in a technical market like the computer networking field. The business impact of the changes is weighed in these decisions as well. For example, changes that are needed to close specific large accounts or projects are given extra attention.

**Milner:** In this regard, the sales team is often the source for “practical” real-world input.

Usually reacting to an idea or concept, this role is more ad hoc than formal. Team Tomorrow [WD-40's new product development team] leads the early development stages of the NPD process at WD-40 Company with marketing, supply chain, purchasing and distribution as the early key contributors. The sales team usually gets involved when there is a specific concept or prototype to react to.

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*In the Boardroom :*

### **How do you ensure that your salespeople are versed in new product features and attributes prior to launch?**

**Milner:** Our sales team is, of course, a vital and key component of the launch strategy. The involvement here in “new-to-the-world” technology is a consultative one taking full project input from Team Tomorrow and marketing. ... We did this just last week to help shape the prospective channel and customer priority plan and help Team Tomorrow and our marketing team get a clear “picture of the path to the consumer.”

The needs of the sales team in terms of lead times for key presentations [and] materials required are part of any NPD launch timeline. The challenge here is always balancing these needs with the passion to want to launch a new product.

In summary, as an idea moves through the NPD process at WD-40 Company, a “sale” takes place at many levels. The first “sale” involves finding a champion and passion in Team Tomorrow, then with marketing and supply chain. The formal NPD process also requires buy-in from an executive review board, of which a VP of sales is always a member. Basically, the best way to achieve this buy-in is to involve the sales team early and often!

**Whaley:** New product launches are critical to our success. We develop launch guides that include a complete Q&A, product literature, specification sheets, price sheets and any related launch promotional programs. In addition, our sales staff and our dealer organization utilize IMT University, which provides online training, testing and certification for our internal IMT staff and our dealer network. With major launches, we will develop webinars for our dealers as well .

**Haley:** The best way depends on the product and technology itself. If you've got a highly complex product, a highly complex technology that's new to the market, then really you've got to bring your sales force in for training. ... If you've got a really complex technology, quite frequently what you're going to be looking at is the sales engineer, who is going to have a better capability to really understand the technology, understand how it's going to be used.

... One thing that can cause significant problems is when you have two disparate technologies being brought together. ... It cuts down to this issue of different languages. If you have two disparate technologies, each group of engineers is likely to have kind of a different language, different interpretations of the same words even. And when that happens, it becomes a complex issue to bring it together so that one person can explain it ... to the customer. That takes a lot of training and a lot of education. It's not sufficient, in this instance, for sales forces to just know the technology and the product. They also have to be able to communicate it effectively.

**Rapaport:** Minco — and marketing in particular — does a lot of things to ensure that the

sales team is prepared as a new product enters the market. We find what works well is to rely on a combination of training, sampling and continuous and frequent follow-up communication. Our launch program begins with the announcement of the product's availability and a presentation by the product expert. It's great to give the channel information on attributes and features, but we find the real value is in describing why the product is being introduced, talking about the problems it solves and how it is different or unique.

It's really about preparing sales to successfully sell the product in the field. And this means you need to provide a lot of training tools and stories for them to tell. They need to know what marketing is doing to support their efforts to sell in the field, so we also ensure they have a good understanding about the promotional activities that are going on. ...

We do a good job in announcing our new products; it's the feedback and questions that come later that are the real test as to whether we've done enough to prepare them to support the product launch. If not, we've got to address this quickly to ensure the product launch program gets legs.

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The roundtable members for this issue of *In the Boardroom* agree that sales provides a crucial information-gathering and collaborative role in product development. Other points of agreement include:

- Because sales is on the front lines of customer interaction, a savvy and active sales force can provide your product development staff with the raw information they need to create a new product or the next iteration of an existing product.
- Raw information shouldn't trump the concerns and realities of your engineers. It takes a strong executive influence to recognize and regulate how much sales should influence product development.
- Don't go cheap on educating your sales force after a new product has been developed. The more complex or novel your new technologies/products are, the more detailed your sales education should be.

Strong and competent executive presence is necessary to facilitate productive communication between sales and engineering. Are your staffs smoothly talking to one another, and are they speaking the same language? If not, your two teams will forever have difficulties turning their strengths into products that delight customers.

*In the Boardroom* would like your feedback — and your ideas — on making global product development work. [E-mail us today.](#)