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10 PROVEN STEPS TO IMPROVE BUSINESS-TO-BUSINESS LAUNCH SUCCESS

The Schneider Business-to-Business Launch Survey identifies 10 steps B2B marketers can take to ensure the success of their next new product or service launch. The report is based on responses to an extensive online survey of 98 companies that met with success in their most recent launches of new B2B products or services. The companies represented 24 industries, ranging from accounting to aeronautics and from insurance to waste management. Ninety-two percent of the launches studied took place within the past three years.

Here are the best practices uncovered in this first-ever survey of executives involved in successful B2B launches:

1. Have a documented launch process.

“Everyone should have a roadmap when launching a B2B product or service,” said Joan Schneider, author of *New Product Launch: 10 Proven Strategies*, a breakthrough book that advises companies on how to launch new products. Schneider is president and creative director of Schneider Associates, the marketing communications firm that co-sponsored the survey with the Babson Center for Business Innovation. “Having a documented launch process helps identify what’s working and what’s not so you can improve with each new launch.”

Seventy-eight percent of the companies surveyed reported having a launch process, with the type of process ranging from an “informal, undocumented ad-hoc process that varies from launch to launch” to a “formal, documented, rigid process.” In contrast, 22 percent said they did not have a launch process of any type. “This surprisingly high percentage of companies working with no launch process left us wondering how much greater their launch success could have been if they adapted a process that could be repeated and refined with subsequent launches,” said Schneider.

When asked whether their launch process was effective, 80% of product launchers and 88% of service launchers said yes. More product launchers believed their process was not effective (20%) than service launchers (12%).

2. Establish a separate launch budget.

If launch spending is not budgeted separately, it’s difficult to monitor how effective various launch activities are and whether launch spending is adequate to succeed. Often launch budget components are included in different departmental budgets, making it difficult to determine an appropriate budget for the next launch. The challenge also arises when management asks for specific data relating to the cost of a launch when the launch components live in different departmental budgets.

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Forty-nine percent of respondents said their companies set aside a specific launch budget, i.e., monies that were to be directed specifically toward launch activities. Thirty-three percent said this had not been done for their launches, and 18% said they didn't know if there had been a specific launch budget.

3. Establish your launch budget as early in the product development phase as possible.

The majority of the successful launchers in the survey established budgets during the development phase or earlier. This provides food for thought for any company that is currently waiting until further along in the process to begin thinking about the launch budget.

“Companies that begin the budgeting process early meet with more success than those who leave this task to the last minute,” said Schneider. “Such companies are more likely to have a documented launch process that shows them when it's time to start planning and budgeting. Beginning the budget process earlier enables you to thoroughly research the cost of various strategies and identify the ones that are going to be most cost effective for your launch.”

4. Try to keep your launch budget stable throughout the implementation phase.

Sixty-seven percent of the companies surveyed maintained stable budget levels throughout their launches. This indicates they did a good job of estimating budget needs and had effective budget controls.

On the other hand, the willingness of 29% of product companies and 10% of service companies to increase their budgets during the launch may be interpreted in several ways. It may mean a significant portion of launchers initially underestimated what it would take to launch their new offering. Or perhaps these launchers were meeting with strong success against their launch metrics and decided to invest more money to solidify the launch effort.

“Some budget flexibility is a good thing because it allows you to take advantage when unexpected opportunities occur that might enhance your launch,” said Schneider. “Overall, being able to set a realistic budget and then stick to it are important launch skills. Too often, companies panic when product sales take longer than anticipated and start cutting the launch budget. But if companies stick to their budget and give the sales and product adoption process enough time, they are likely to see the projected results.”

5. Determine your launch performance measures *before* the launch begins.

Fifty-eight percent of the B2B launchers said they established their success metrics before the launch took place, and 29% said they did so during the launch. A troublingly high 13% said they did not set metrics until after the launch was complete, and an additional 6% never set any metrics at all.

“It is smart to have something against which to measure the progress of your launch as it moves forward,” said Schneider. “Such information provides vital guidance about whether launch strategies are achieving your goals or need rethinking. Determining how you'll measure the success of your launch before the effort starts will also help you with other important planning tasks such as budgeting and strategy.”

6. Measure the right success metrics.

Surveyed companies used two types of success metrics: 1) results-based measures, which focus on business outcomes such as sales or profits, stock price or market valuation, and 2) process measures, which capture activities that contribute to business outcomes, such as number of projects in the

pipeline, time-to-market, or percent of sales from new products.

“We recommend using process measures, which can be tracked on a monthly or weekly basis to provide quick feedback,” said Schneider. “In contrast, results metrics are lagging indicators. By the time these results are in, it’s often too late to change course.”

In the survey, 45% of product companies and 24% of service companies said they met only half the success metrics they had initially set for themselves. In addition, another 5% of service companies reported they had met none of their success metrics. These percentages indicate a problem with how some companies are measuring success. “If you’re consistently missing your launch metrics, it may mean you’re measuring the wrong things or that you’re setting the targets unrealistically high,” said Schneider.

7. Include the right external professionals on your team.

Make sure the skill set of the external professionals on your launch team matches the launch activities in your plan. It’s worth noting that the most critical success factors chosen by nearly all the B2B launchers in the survey were tasks that are best accomplished by a marketing communications firm. These factors included educating the sales force and internal audiences and generating word-of-mouth excitement. Yet, unfortunately, an ad agency is often the first –and sometimes only– outside source many companies tap for launch advice. “To avoid this trap, make sure the skill set of the external professionals you add to your launch team matches the launch activities in your plan and includes Web experts, public relations professionals, channel distribution and sales promotion consultants,” said Schneider.

8. Fight for bigger budgets.

Asked what they would do to improve their next launch, the response that drew the largest number of votes was “increase the budget,” selected by 37 percent of respondents. By being last in line in the new product process, the launch team may get short shrift when budget dollars are being allocated. This is another reason to start launch planning as early in the new product process as possible before R&D and production gobble up the lion’s share of resources.

“Having an adequate budget is especially important if your new product has a high degree of newness,” said Schneider. “Introducing something revolutionary requires a comprehensive launch program with a significant budget and an expanded timeframe for product education and acceptance.”

9. Do a great job educating your sales force and other internal audiences about your new product or service.

When asked to select the top three factors that contributed the most to launch success, sales force preparation earned the most votes as an important success factor by far with both product (55%) and service companies (66%). Both types of companies also selected word-of-mouth campaigns as one of their top three success factors.

The third highest contributor to launch success was different for product and service firms. Educating internal audiences was named by 29% of service companies, compared with just 16% of product companies. On-line campaigns also received 29% of votes from service companies. For product companies, distributor/retailer/dealer education earned the third highest number of votes, with 33% calling it a top three success factor.

10. Spend money on word-of-mouth campaigns rather than on advertising.

After sales force education, word-of-mouth campaigns earned the second highest ranking as a launch success factor, with 36% of respondents in both the product and service categories saying this was one of their top three launch success factors. And although used by 78% of the companies launching products and 85 of those launching services, advertising was rated as significantly less important than word-of-mouth campaigns.

“The B2B market is extremely competitive, with companies launching new products and services at an intense pace,” said Schneider. “Relying on the old standby of advertising to be the key driver of your launch success simply does not work in today’s environment. Launch campaigns have to be more creative than ever before to grab the attention of busy B2B customers, who are being bombarded by marketing messages from more sources than ever before.”

To obtain an executive summary with more information on these 10 B2B launch lessons, contact Patrick Richardson at prichardson@schneiderpr.com.

About Schneider Associates

A full-service public relations and marketing agency that launches products, services, companies and communities, Schneider Associates represents consumer, corporate, real estate, and public affairs clients. The agency specializes in Launch Public Relations™, a proprietary method of launching new products and revitalizing icon products to build and sustain awareness and excitement. Visit <http://www.launchpr.com>.

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