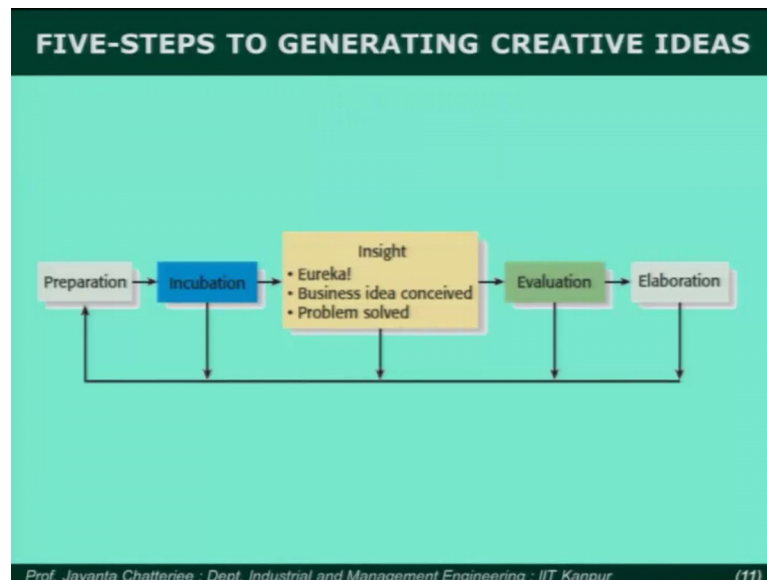


Management of New Products and Services (MNPS)
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Lecture – 10
NPNSM- The Idea Generation process

Hello, I am Jayanta Chatterjee and as you know, we are discussing this. There are various issues related to new goods and services, new product, new service management. This is the ninth session, in the last session I ended with this screen that is in front of you, the five steps to generate creative ideas.

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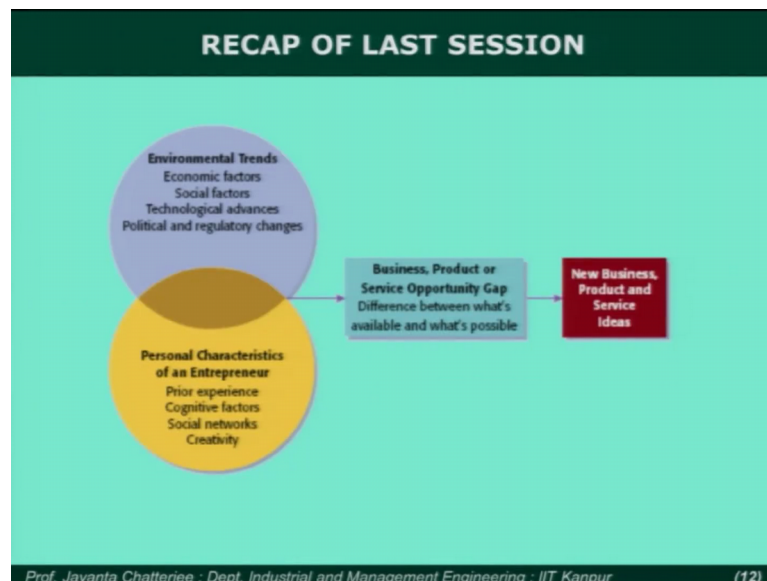


We discussed that the distinction between ideas and opportunities, we know opportunities are ideas plus, and we are actually looking for opportunities and we discussed that how you can test ideas, whether they can be converted into opportunities, whether they have that plus potential.

But, obviously, unless you have a plethora of ideas, you cannot actually. They say that you need to generate hundred ideas to get one good opportunity identification. So, this quantity of idea, our generation is also very important. So, in organizations therefore, we should have a structured process to generate ideas and to record them and then processes to filter them and come up with convert them into opportunities. So, the five steps; we say our preparation incubation insight development evaluation and then elaboration.

So, in a way, you can say these are the five steps of generating ideas, which have the potential, they are not like, you know kind of wild figments of imagination, they are actually coming out of a structured process. So, that there is a potential of converting them into opportunities, preparation, incubation, insight development, evaluation and elaboration.

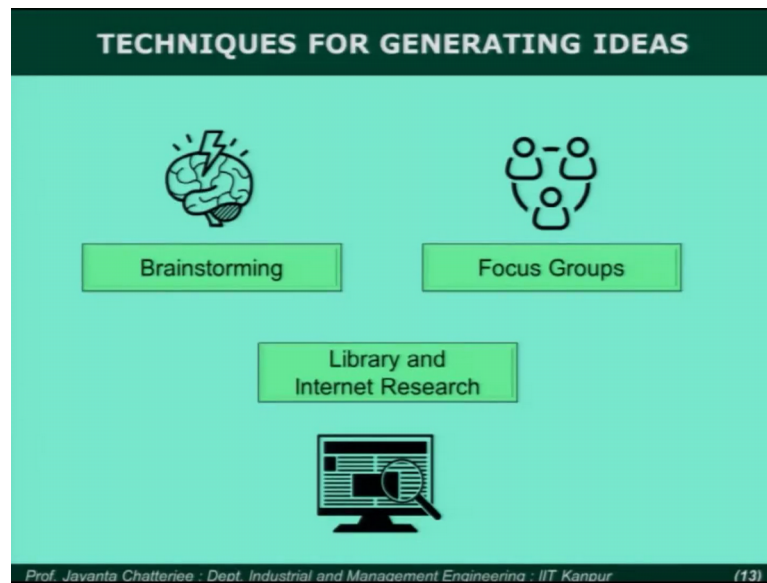
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So, the short recap of the last session is that we have different kinds of trends and also we can find out gaps. So, trends and gaps in the market, integrated with the entrepreneurial characteristics can generate the new goods and services, new products and new complete, new businesses can be created in the process. This is what we discussed in the last couple of sessions, in this session we are going to discuss some nitty gritty, about how to generate good ideas, good in the sense that these are ideas which are structured for evaluation, for opportunity assessment.

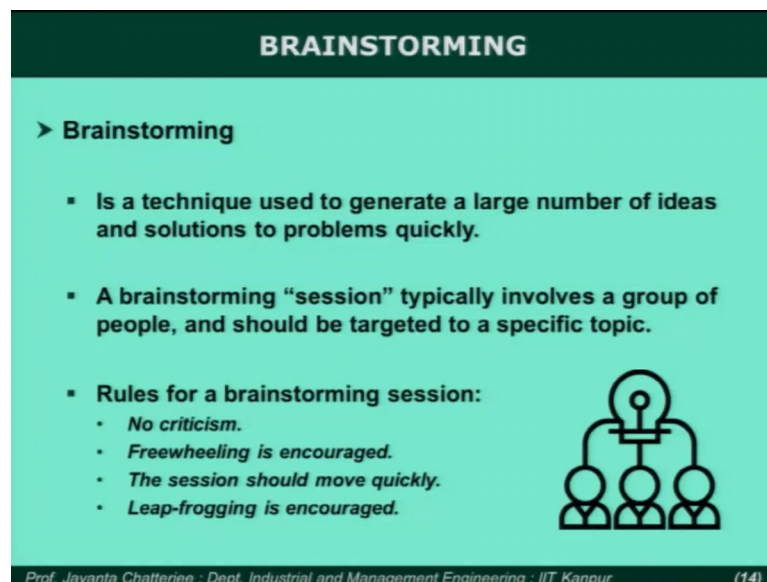
So, they are not like you know wild imagination, but in a structured process that can feed into your funnel for opportunities.

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So, brainstorming, focus groups, librarian internet research, these are three things that I will discuss briefly in this particular session.

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Now, brainstorming is as you know. In fact, these days sometimes people say do not call it brainstorming, call it body storming, which means that you do not actually sit in just a room and only discuss sometimes, actually you discuss and then go out into the field, look at actual customers, what problems they are facing and follow the customers. And; so, and then you come back.

So, you can actually therefore, combine brainstorming and what we call body storming; that means, the four is outside and then discussion in generally, you as most of you know brainstorming and you have already experienced it in different ways, it happens through meetings, you sit together and for good brainstorming, we need people of different profile that is why we often say, have a cross functional team. People coming from marketing, people coming from design, people coming from operations, people coming from procurement, people coming from finance, you sit together and discuss new ideas and therefore, you can get comments from different sources and sort of start, but surging the spark so that it can then show that, whether it has a potential to become a fire.

Now, the group of people, some rules, they have to follow that therefore, that you do not try to dominate, criticize others and stop people from articulating good idea. So, it has to be no criticism, has to be a major rule. Freewheeling is encouraged; that means, if you are thinking aloud, if you are actually going on some wild tangents, for some time you have to allow that, I mean sometimes those wild tangents can come up with something really valuable.

The session should not, should move in a time bound fashion, you should not be actually, you know it should not be like a coffee house stream of discussion, endless discussion. You have to have a time bound target some process and you should often allow leapfrogging. So, you know people actually use these days, what we call yellow stickers? Those small notepads, you write ideas, first maybe everybody silently create five ideas, then you stick those ideas and then you see how; though some of the ideas can be combined. These are some processes that many of you will be familiar with.

And maybe you can find a lot of it on the net different, one particular brainstorming method, I will recommend that, you search out and read Edward Bono De Bono suggested it. It is called the six hats, because normally what happens, when you have people from different backgrounds, which is a requirement for good idea generation, when they are together, then we tend to criticize others ideas all the time or we try to find flaws or problems in that idea.

So, what Deborah said is that do one thing, there is no do not stop, these looking at ideas from different perspectives, but try wear different color, imagine in your mind that you are wearing say ones red color hat. So, everybody is thinking about, what are the


problems. So, not one person is proposing and other is criticizing and finding problem all of you together look at the try to find that, what are all the problems that can come up in trying to utilize this particular idea and converting it in an opportunity.

Then you put a green hat mentally and then everybody tries to see what all good things can happen out of this like that, you take different approaches, you can read about it, I am not spending too much time, but that can be a very efficient and effective way of managing the normal inter personal conflict in small group type of discussion, which happens here. So, next is focus group.

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FOCUS GROUPS

- A focus group is a gathering of five to ten people, who have been selected based on their common characteristics relative to the issues being discussed.
- These groups are led by a trained moderator, who uses the internal dynamics of the group environment to gain insight into why people feel they way they do about a particular issue.
- Although focus groups are used for a variety of purposes, they can be used to help generate new business



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Focus groups are you put together often used for testing new product ideas. So, once you have some rough idea, you might have also done some prototyping etcetera. Some of those things we will discuss, but at this stage it is a kind of brainstorming. So, I have actually put it here, where the focus group normally will be a representative sample of the customer segment that you are trying to address. Remember, our last week's discussion on STP Segmentation Targeting Positioning, which is absolutely the core requirement for success of a new product launch.

So, here you put together. Suppose, you have your decide trying to develop a product for senior citizens, as we discussed in the last session, these are kind of products which are now, worldwide. There will be increasing demand, because a large section of world population is graying as they say; that means, these are people who are above 65 70,

have disposable income, buying capability, but they need special types of products. So, they need special fashion apparels, which also suit people, with utter attic impairment.


So, there actually you put together are people. So, if you are developing a senior citizen product, a fashion product for senior ladies then put together, a group of such people and gives them the product or gives them the idea and then discusses with them and record. So, you need a moderator to kind of keep it in on track, but the focus group can give you some excellent ideas, sometimes we create focus groups, what we call extreme user group; that means, people who will use the product to it is hardest end, the maximum capability.

So, sometimes you know mountaineering products or trekking products or sports products are often discussed in focus groups, which are of this extreme user type; that means, extremely active sports people or will be bought together. And; so, that they will be then discussing the pros and cons, what they need? Whatever this product meets that requirement and sometimes you can actually have this discussion with a prototype or that is better or sometimes you can even have a kind of a discussion with a proto concept as we say protocept that is possible.

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OPPORTUNITY RESEARCH

- **Library Research**
 - **Libraries are an often underutilized source of information for generating new business ideas.**
 - **Simply browsing through several issues of a trade journal or an industry report on a topic can spark new ideas.**



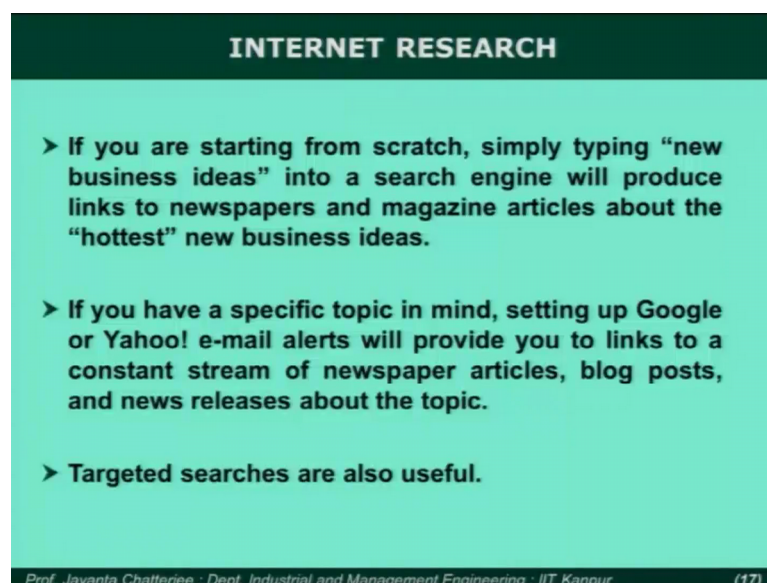
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And then the last two that way, I want to discuss is the library research libraries are often neglected sources for fantastic good, valuable ideas, and simply browsing through trade journals and that these days, a lot of these are on the net. So, you know and many

libraries, today they have this digital corners, where it is better than actually doing it at your home, sitting at your own desk top, because they allow 5 6 peoples to sit together and look at screens in synchronism and look at all these straight journals and industry journals, professional journals and look at different kinds of ideas, advertisements those, which are there.

And then that kind sparks for a new product, new service idea, and internet of course, is a wonderful resource.

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INTERNET RESEARCH

- If you are starting from scratch, simply typing “new business ideas” into a search engine will produce links to newspapers and magazine articles about the “hottest” new business ideas.
- If you have a specific topic in mind, setting up Google or Yahoo! e-mail alerts will provide you to links to a constant stream of newspaper articles, blog posts, and news releases about the topic.
- Targeted searches are also useful.

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Today, we have so many powerful search engines, where you can actually go deeper and deeper from simply finding hundreds and thousands of general purpose hits, you have a specific search engines, who can actually, on your behalf, a shift through large number of possible hits and come up with a much better precise result and in coming years, we will see more and more.

These normal search engines, giving way to specialized digital assistants artificial intelligent programs, which will be almost an extension of your brain, the search engine internet based research therefore, will increasingly become more and more powerful and easily available, affordable and therefore, this will be another interesting way.

So, in future it is also possible that you will be able to, it is not very far off, maybe we will see it coming in another, you know here or two, where you will be able to converse


interactively with your computer, with their artificial intelligent program and you can brainstorm there for, multiple people can brainstorm with one particular system and they can be located at different places and the system will actually, take these different inputs and try to create a collated output. So, this virtual brainstorming, remote brainstorming, all these will become easier and easier. And; so, we will see more and more collaborative, cooperative sessions, creating new ideas.

So, more we become adept at this kind of team based, group based innovation, rather than individual eureka type of innovation, we better, we will be. So, these will need some practice big and some preparation from your site, if you want to become part of this new product, new service creation process, in organizations, even at your own entrepreneurial level and lastly few other techniques, like you can have customer advisory boards. These are actually a kind of focus group.

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OTHER TECHNIQUES

> Customer Advisory Boards



- Some companies set up customer advisory boards that meet regularly to discuss needs, wants, and problems that may lead to new ideas.

> Day-In-The-Life Research



- A type of anthropological research, where the employees of a company spend a day with a customer.

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But therefore, you take customers, your key customers, coming from key segments, your main target areas and these are people, who are well versed into those requirements, this is quite used in industrial products and services innovation and you have them, bring them in maybe four times a year, three times a year, and discuss with them all these new developments that are going on, and take their opinion to filter shape, and create further ideas, the increasingly popular method, very successfully used by companies like, Nokia is what is called ethnographic research.

This used to be an anthropological method earlier, but now, this is being used in new product, new service innovation, all the time where you actually become part of a customer community, you follow a customer around the whole day and see how that particular product is going to affect the customers life. This many interesting products and services particularly which are intensely used by customers.

So, that is why Nokia used it very successfully, where they created different types of mobile phones, for different types of customers, in different countries by using this anthropological ethnographic research.

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ENCOURAGING NEW IDEAS

- **Establishing a Focal Point for Ideas**
 - Some firms meet the challenge of encouraging, collecting, and evaluating ideas by designating a specific person to screen and track them—for if it's everybody's job, it may be no one's responsibility.
 - Another approach is to establish an idea bank (or vault), which is a physical or digital repository for storing ideas.
- **Encouraging Creativity at the Firm Level**
 - Creativity is the raw material that goes into innovation and should be encouraged at the organizational and individual supervisory level.

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This is kind of our last slide that within the organization, you must have a culture and a process of encouraging new ideas, creating a repository of new ideas, creating a custodian for new ideas.

Celebrating champions, who come up with good ideas that can be converted into opportunities, and also very interesting thing is this idea bank. So, some of the ideas, which at some point of time could not be converted into opportunities, because of resource gap or, because of competency gap or, because of technology developments stage, maybe it is too advanced for the available level of technology. Do not throw those ideas away, because we are looking for opportunities, which as I mentioned, our ideas plus ideas that can be converted into viable businesses, feasible businesses but the ideas that are discarded.


They should be retained, because in future you can come back to those ideas, and it has happened in companies like Xerox companies, like apple, that those idea banks or retained ideas, which were originally discarded, later on created brilliant new goods and services new products. So, and the encouragement and having a structured process, having custodians, have been champions and creating this idea bank are very important and this is a topic that I am not going to discuss in detail.

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PROTECTING IDEAS FROM BEING LOST OR STOLEN


➤ **Step 1**

- The idea should be put in a tangible form such as entered into a physical idea logbook or saved on a computer disk, and the date the idea was first thought of should be entered.



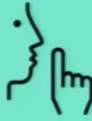
➤ **Step 2**

- The idea should be secured. This may seem like an obvious step, but is often overlooked.



➤ **Step 3**

- Avoid making an inadvertent or voluntary disclosure of an idea, in a manner that forfeits the right to claim exclusive rights to it.



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But I am only referring that another very important thing today, is because you are creating ideas, with many people involved. There is a possibility of your good idea getting leaked, getting you served by somebody else, it can even happen that some team member may actually leave this job and go to another job and the idea can walk out of the door with him or her. So, therefore, you need to have a very good method of protecting valuable ideas and particularly those ideas, which can be converted into opportunities.

So, you must be, you know the names like patent or copyright, and all those we will discuss that in a future session, in more detail. Here, I am only alerting to you that while, you were brainstorming, while you are creating new ideas, while you are actually creating your idea bank, you are creating this small projects, large projects to convert ideas into opportunities. Do not forget to protect those ideas and take proper steps, at

different ways. How those steps are to be taken? What kind of steps are there? We will discuss that so, at some other session.

So, there actually, I end this particular session, thank you very much and we will now go into the nitty gritty of some ideas that we have discussed in the last week, like value proposition, like pivoting, and such ideas and. So, look forward to our next interaction.

Thanks.