



Michael A. Brown's

Business To Business By Phone[®]

Happy New Year 2000 Edition

INNOVATION v. CONSISTENCY

Do customers want both? So it seems. Can companies do both? It depends.

The doctrine in most industries, especially high tech, is that business customers want the newest and coolest. However, the very same customers also demand that we have dependable systems, technology, and processes for ease of doing business without aggravation. Brand new enterprises, whose *essence* is innovation, face of challenge of sustaining their innovation dynamics while creating enough stability to keep customers over time. So, how can we and how should we strike the proper balance?

Companies have to earn the *right* to innovate along with earning the *profits* to afford innovation. That means assuring the context, continuity, and consistency that demonstrate the company's fundamental capabilities. Absent those aspects, even "cool" innovations are suspect because would-be customers doubt the firm's credibility. Glaring example: e-business "solutions" and promises of success from dot com startups that don't do it right themselves and have never earned a penny of profits.

Conversely, profitable companies that *work well* can innovate successfully because customers trust them to come through. For example, Fedex and Cisco are marketing an innovative strategy for warehouse-less supply-chain management. It features a first-ever combination of planes, vehicles, systems, software, and sophisticated vendor arrangements. These firms' reputations for consistent performance lend great credence to their innovations.

But be careful! Innovation sometimes flops because companies introduce "new" before there's a genuine "old," and therefor fail to establish the value of either. For example, software upgrades almost always include "innovative" functions few of us ever use. That's why it's unwise to rely on R&D engineers, product managers, or futurists for innovation. Although these folks usually mean well,

their "innovations" too often smack of self-glorification and ego enhancement.

Conversely, most suggestions for worthwhile innovations come from marketers, sales people, and most of all, *customers!* For example, in developing the 777 airplane, Boeing talked with actual airline passengers! Among the suggested innovations: easily replaceable reading lights and big, flat overhead bins.

Some of the greatest opportunities for innovation involve ease-of-doing-business. I urge companies to become *heroic innovators* by unplugging their automatic call distributors and assigning live, nice, smart human beings to receive and dispatch customers' calls.

Best Advice: Recognize that while innovation sometimes happens spontaneously, it's more often the result of sound business processes enlivened by creative thought, and by envisioning ourselves as our customers. Here are some questions to ask:

- Where and how does this innovation "fit" our customers' experience with us and their expectations of us?
- Who benefits? How? (The "you gets")
- Have we earned the right to innovate this way?
- Can we afford to?
- What if we create and market this innovation? What if we don't?
- What's next?

(Special thanks to Beverly Tomb of IBM for suggesting the topic of this article.)

BE GLAD HE'S NOT A SURGEON OR AN AIRLINE PILOT

Interesting remark in *CIO Enterprise* magazine from Prof. Mohanbir Sawhney, who teaches e-commerce at Northwestern U's Kellogg Graduate School of Management: "It's a rather cruel paradox, but the world is changing so fast that our



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intellectual frameworks are outdated. Younger people who aren't hampered by preexisting ideas about what will and will not work are completely changing the way business is constructed. The result is that *experience is no longer an asset.*" (Italics added.) Bullfeathers!

Experience *does* count and always will. None of us, including Prof. Sawhney, would fly with a novice pilot or subject ourselves to a first year medical student's scalpel. For that matter, most business students prefer taking classes from *professors* with more business experience than their own, e- or otherwise.

This notion of the irrelevance of experience surfaces every so often, much like 7-year locusts. I think it's because when there's a new field of business endeavor, such as e-commerce, people can make money with it in spite of themselves. Indeed, there are e-millionaires whose business savvy is zero. Their inexperience catches up to them when they have to do real business with real customers but haven't a clue how to do so.

In no way am I suggesting that inexperienced people shouldn't get a fair chance and every opportunity. Fresh, unconventional ideas from bright young people can add great value and make businesses sparkle. But it's harmful and flat-out wrong to claim that business experience is inconsequential.

HOORAY FOR NEW YORKERS!

Surprise, surprise! A midwestern polling company reported in *Direct* magazine that it's *tough* to telemarket or survey-call consumers in the Big Apple! So tough that the firm pays its pollsters assigned to NYC \$3 more an hour than agents who dial into less "hostile" territory. Maybe they called Lou in the Bronx, who answers his phone with a gruff, "It's yaw quawtuh ... staht tawkin' awready!"

RAGE AGAINST THE AT&T MACHINE

Many of you know that I consider AT&T the worst long distance company to deal with ... except for all the others. That's the only reason they have my business. Many times I have tried to speak with a live human at AT&T, only to be routed through an interminable call distribution tree programmed to prevent *any* live contact. Which is why when one of their outbound b-b telemarketers called me recently, I took the opportunity to get "in their face," or at least in their ear...

AT&T guy: "*We can save you money on your long distance.*" (Oh, what a great line to pounce on!)

Me: "*That would be wonderful. When you analyzed my outbound usage and my 800 inbound over the last 2 fiscal quarters, what trends did you discover and how much might I save?*"

After 4 seconds of silence, AT&T guy sheepishly: "*I didn't look at your account. I'm just calling to introduce a new plan.*"

Me: "*Well, my good man, how dare you and your employer purport to save me money when you have no idea how much I spend nor, for that matter, anything else about my business?*"

He hung up. I hope he called Lou next.

SMART MARKETERS CONVERGE ON THE SUNSHINE STATE

Live! From Miami Beach! It's the *Direct Marketing to Business* conference! (DMB). You're enthusiastically invited and encouraged to join us for the springtime edition of this excellent event, March 29-31, 2000 at the Fontainebleau Hilton. Check it out at www.dmbshow.com. See you (and lots of New Yorkers) there!