

# Solutions *Without* Walls

**W**hen I was in charge of new products at Heinz in the late 1970s, times were tough and we were in a turnaround situation. I remember talking about those challenges with Tony O'Reilly, the CEO at the time. Tony said, "What if I told you that you were going to be hanged tomorrow at sunrise in the town square?" I said, "I'd stay up all night and figure out how not to be hanged." He said, "Exactly. That's what we have to do with new products."

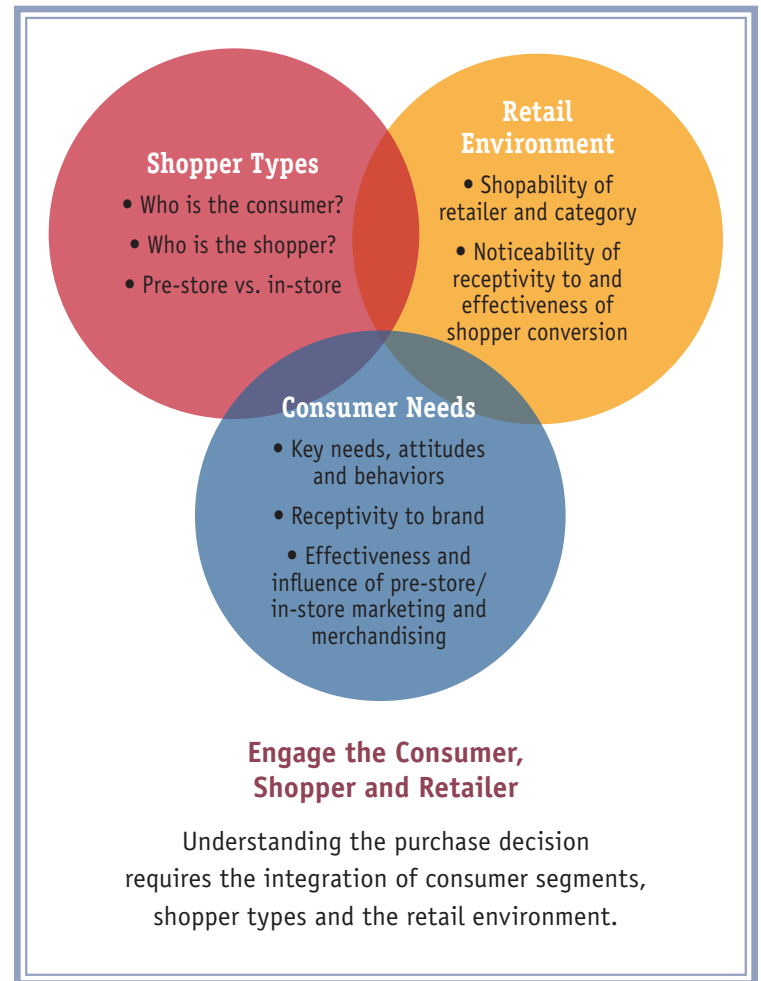
Nothing focuses the mind like a hanging, and it's no different with innovation in today's economy. In fact, nothing forces you to think about real breakthrough innovations more than when resources are severely limited.

Everybody talks about innovation as the pathway to success, but the road to innovation is littered with the bleached bones of the many who tried and failed. According to one recent report, of the 89,000 new consumer products introduced every year, fewer than two percent earn more than \$50 million in sales. Among those that failed, losses usually were in the millions.

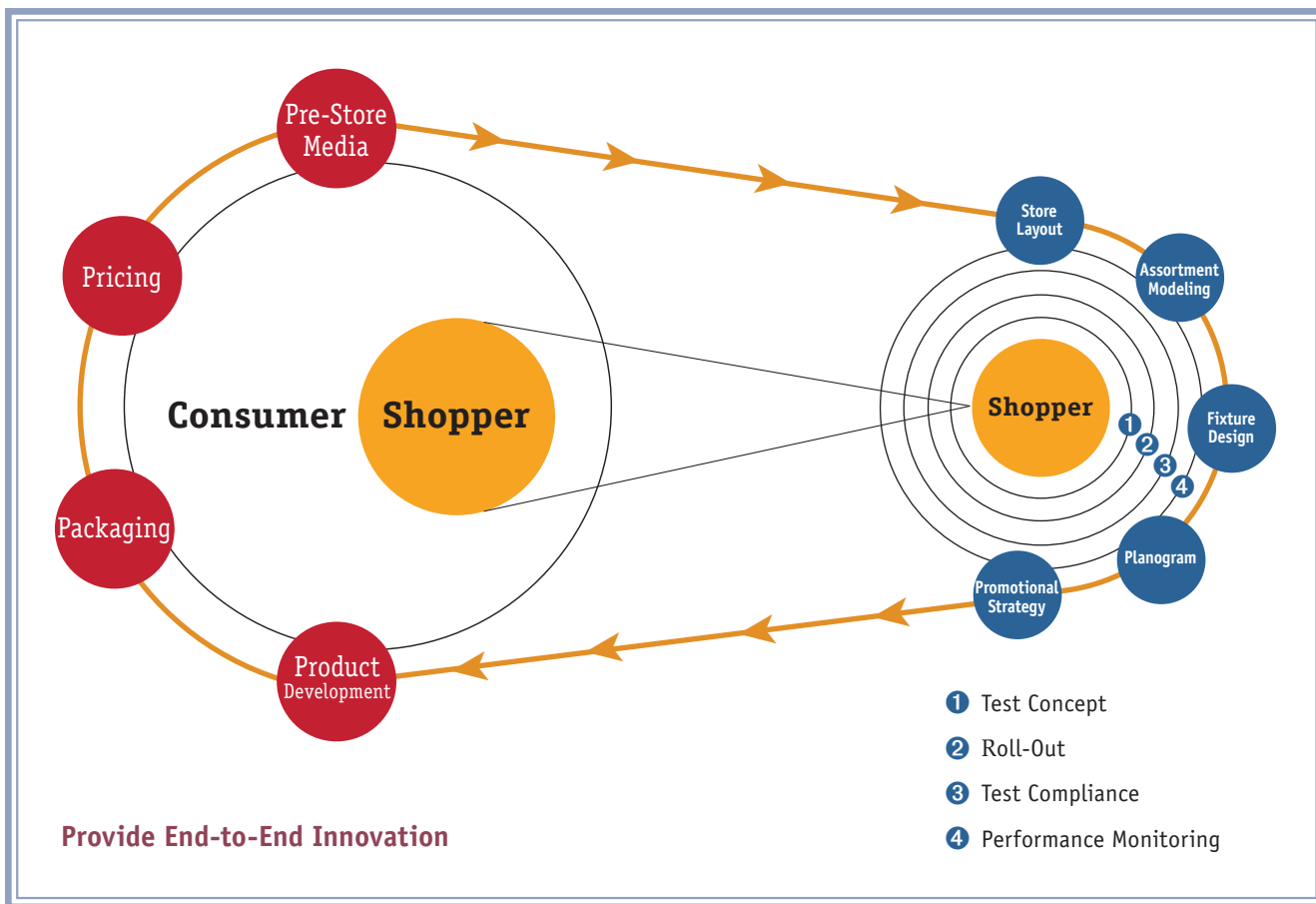
So, let's talk about the fastest path to the most growth in the shortest period of time. Let's focus on the concept that the way to sell more goods at higher prices is to engage consumers by answering their needs as shoppers, at retail.

Let's turn things around and consider where the purchasing decision is made and why. If we know that, we know all we need to innovate both products and the marketing of those products. But to do that, we need to break down the walls that divide what we understand about the consumer, the shopper and the retailer.

**Innovation  
demands  
tearing down  
walls between  
consumers and  
shoppers.**



SOURCE: SmartRevenue



SOURCE: SmartRevenue

#### A NEW INNOVATION MODEL

I recently sat down with Ron Askew, the CEO of TracyLocke, and John Dranow, the CEO of SmartRevenue, Inc., to think through and figure out how to break from the past and join the two percent of innovation success stories. John brought the concept of “solutions without walls” which linked to our thinking at TracyLocke (*see above chart*).

This model allows us to understand how to convert shoppers into buyers in the retail environment.

Normally, marketing people look at the issues on the left-hand side of this chart, while the sales people—or shopper-marketing people—confine themselves to what’s on the right-hand side. In short, marketers concern themselves with consumer insights while the shopper marketers think mainly about shopper solutions.

Doing more with less—in today’s tight economy or even under the best of conditions—requires both sides moving in unison like a pair of bicycle sprockets, driven by a common chain. It means understanding the critical decision-making factors for the consumer and then translating that into tactics at retail.

In the final analysis, that’s what true innovation

demands. We have to create tactics that engage and convert the shopper, and align those tactics with consumer needs and retailer demands.

Simply put, the reason there’s so much failure with innovation is that it’s still being pursued in silos, and shopper insights is not part of the process.

The path to innovation certainly will be no easier in 2009 than it was in 2008—or 1978. The hangman hasn’t left his post. In ordinary times, it might suffice to innovate with only the consumer in mind, but not anymore.

We need to engage the consumer, the shopper and the retailer as part of a holistic, end-to-end approach to innovation—because if we don’t make it hang together, we will all hang separately. ■



**AL WITTEMEN** is managing director of retail strategy for TracyLocke. He has 35 years of experience in marketing, sales and shopper marketing of consumer packaged goods. Al can be reached at [al.wittemen@tracylocke.com](mailto:al.wittemen@tracylocke.com) or (214) 259-3531.