



## Why Most Product Launches Fail

HBR article by **Joan Schneider** and **Julie Hall**, April 2011

Despite huge investments in market research and R&D, “about 75% of consumer packaged goods and retail products fail to earn even \$7.5 million during their first year.” To avoid new-product failures, Schneider and Hall suggest doing careful testing, delaying launch until the product is really ready, ensuring customers understand how to use the product, and making sure the manufacturing and distribution systems can handle rapid growth if the product really takes off.

In technology firms, rapid product development causes organizational gears to spin wildly out of control and, in many cases, collapse in on themselves. Developers may be happy letting new products “appear” or “leak out” when they’re ready, but this practice drives managers and marketers to distraction. A market window needs to be clearly established. Better firms at least have a notion of when to enter the scene.

**Steven Haines**, president, Sequent Learning Networks

Communication is the recurring soft spot. By the time every empire defends its turf, the product’s reason for being has been overshadowed—and one of the biggest hurdles is prioritizing customer needs over individual employees’ career goals.

**George Mann**, partner, Waverley Rental Properties

**The authors respond:** *A launch champion must not only own the launch but also bring the various disciplines together. A CLO—chief launch officer—would put new-product launch where it belongs, in the C-suite.*

1.



How does this advice apply to the online world, where the conventional wisdom is to launch early and iterate often?

**Karim Sarkis**, executive director, broadcast group, Abu Dhabi Media

**The authors respond:** *We are watching a lot of app launches closely, and there are still some tried-and-true launch tenets, such as motivating your base while developing your product and using it to “grease the skids” for your launch.*

Small companies will not know the answers to some of these questions until launch—these firms are especially reliant on feedback from early adopters. If you are small, launch sooner rather than later and listen closely to your customers.

**Chris Hawkins**, CEO, SignNow

**The authors respond:** *Our article illustrates two examples of small businesses that underestimated manufacturing capacity or consistency and launched too soon or too quickly. Launching with confidence—one of the measures of success we’re looking at—is size agnostic.*

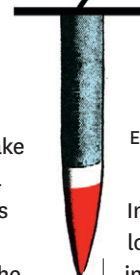
The missing ingredient in failed launches is integrating basic marketing principles like positioning, branding, and messaging into an iterative research process. Too often, in the research phase, the focus is solely on a product’s features and functionality.

**Phil Corse**, lecturer of marketing, Kellogg School of Management

Research needn’t be expensive. Take a booth at the local shopping mall and talk to consumers. Repeat this process several times in different locations. Of course, listening to the results and acting on them, well, that’s a different animal.

**Wayne Spivak**, president, SBA Consulting

2.



## Why Leaders Don’t Learn from Success

HBR article by **Francesca Gino** and **Gary P. Pisano**, April 2011

Failed products and systems may warrant systematic analysis of what went wrong, but few think successes deserve post-mortems. HBS professors Gino and Pisano challenge the status quo, contending that success breeds failure on a cognitive level by hindering the learning process for both individuals and organizations.

How do we capture what went wrong in a truthful way while showcasing what went right? People don’t want to reveal their shortcomings. Is there a masterful way to do this so others can really learn?

**Jamie Muskopf**, fleet knowledge management officer, United States Pacific Fleet

An experimental approach that investigates good performance and nurtures an environment that allows this to take place may require a major shift. Often there isn’t even enough time to learn from failures.

**Christine Maingard**

Lessons learned from successes and failures are in fact being used to shape the organization; however, a central repository of collected lessons may not exist. Whose

role is it to observe performance?

I wonder if companies have the staff to ensure that this activity is constantly being monitored.

**Sheldon E. Muir**, Six Sigma black belt, Enterprise Networks, TE Connectivity

In the words of Bill Gates: “Success is a lousy teacher. It seduces smart people into thinking they can’t lose.”

**Ronald S. Woan**, former vice president of research, Azaleos

