

TEI 009: How a non-profit used an idea management system to create life-saving products

Host: Chad McAllister, PhD

Guest: Geoff Peters

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Chad: Hi. This is Chad. Today I have the pleasure of being with Geoff Peters and he is one of the nicest and most professional people all over at product management that you can ever meet. He is the product development manager for Compassion International and we met a few years ago when he was working on a project called “Water of Life” that I’m anxious to hear more about because one of the things I actually want to talk to you about Geoff is that I don’t know too many people who has been involved in a nonprofit organization. It really has an integral role and helping them with product innovation and I’m hoping that you’re able to have some influence with other nonprofits too because we need more product management discipline in those organizations for sure. So thanks for spending time today talking about innovation.

Geoff: Yeah, thanks for talking with me. Looking forward to talking.

Chad: Very good. So your background, how did you end up in product management in the first place?

Geoff: Yeah I think as with all, often times your career path ends up being this thing you look in the rearview mirror and you go, “Okay I guess it sort of makes sense in hindsight. I can see where maybe God was leading that path.” But I couldn’t tell you, you know I couldn’t have predicted that from the future, you know, from looking at it into the future from the very start. My undergraduate degree was in public relations and I always had a very big passion for helping people to connect whether it’s with a story or with an idea and so public relations was the thing that really kind of, that’s really where I nurtured that out of the gate. Later on and I began my career really in the public relations industry and then quickly moved over into the world of demography and really working specifically with churches and nonprofits helping them to understand the demographics of their community. And then, “How do I package new offerings for my community based on me now understanding that for example, there’s 65% of the community around your local church is single moms?” Maybe packaging some kind of a child care solution alongside all the other programs you offer is a wise idea and that kind of thing.

Chad: So you were doing market segmentation research and figuring out what the market segment should be?

Geoff: Yeah, exactly right.

Chad: And then figuring out what needs they have and how we’re going to provide a solution.

Geoff: Absolutely right. And it ultimately now that as I transitioned here ten years later into my current role here at Compassion International, I really kind of look to some of those early days as forming the idea which would ultimately become product development. I can look in hindsight and see the different

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skill sets that I picked up along the way that all kind of lead toward the same passion which is how do we get people to embrace, in our case, the nonprofit world. And in this Christian nonprofit world, how do we get people to listen to a new opportunity, to engage and make a difference in the world as Christ would have called them to do? And packaging those opportunities in a way that allows them to see the difference that they really can make. So it's really a hodgepodge of all those skills and passions for quite a while now.

Chad: And they've come together. It sounds like the focus there for you had been developing products, some service, something of value that really makes a difference to people and their lives. So some of us as innovators, we just love creating something new. Others of us are really drawn to the value that ... the change that makes to someone.

Geoff: Yeah and I think that's been one of the tougher things as I really dove in and began to study the product development discipline and I got my NPDP certification through PDMA and began having conversations with other product developers. It really did strike a chord for me that one of the distinctive differences that, at least in the world that we have and the world where I play in, sort of this nonprofit sector is our goal really genuinely is to bridge a value curve on both ends of the spectrum.

So you're going to give money or make a donation or support a product or a need for a child living in developing world in poverty you know half a world away that's going to provide safe water or a mosquito net or HIV medication or help to you know keep them safe and out of a child trafficking situation and we build products to help you do all of those things but it's not just about what it does for that child. It's also about how the donor or the person making the donation or initiating the support, what this product does in their life, helping them to understand who they have in scripted to be, the power that they have as an individual to make a difference in someone else's life and to hopefully plant the type of seeds which makes them want to go out and do that more often either through Compassion or through any other organization, their local church or another nonprofit.

Just something that says you know, "I'm part of this larger kingdom of God out in here the world and I want to do more." So building a product that really affects a massive change in the life of both the child and the person initiating the support. The supporter has been a challenge that's not been, I guess not been something that a lot of product developers that I've spoken with deal with. Most of the time as I talked with folks in CPG World, it's, "I want to make something that is going to be a value. They're going to pick it off the shelf, they're going to say 'I chose this product over that product and I'm going to purchase it and I'm going to take it and make it my own and I'll consume it and then I'll go back the store and buy another one.'" And we're kind of a different animal here.

Chad: Right. So you talked about those two ends of the spectrum of your value chain as the sponsor providing the funds for the projects and then the actual end customer is the child who is impoverished and you're providing care for.

Geoff: Correct.

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Chad: So big picture is Compassion as a Biblical mission of providing for impoverished children across the world. And I think you've been in twenty-nine countries now doing this work?

Geoff: Yeah in Compassion we actually have twenty-six program countries and eleven fund raising countries, so we're everywhere.

Chad: So give us the history a little bit of product management inside this nonprofit and how did this come about, because Compassion for those who know it, has been around for decades managing sponsorship for impoverished kids to help educate them, feed them, clothe them and provide for their health. Now you're doing some new products. How did that come about?

Geoff: So Compassion, like you said, we've been around. We just celebrated our 60th anniversary a couple of years ago, so we've been around and been growing for over sixty years now. We started very small in just really doing stuff post-Korean war and our programs at that point really were dedicated around just one person helping one child and that's still our core model. But as we've grown over the years we now work directly in that one-on-one, that same one-to-one model with 1.5 million kids across those twenty-six countries where we do programs.

And as with any organization as you expand, as you grow, for us what we've discovered is we go into more rural areas. We discover kids with even greater need. We discover kids with needs that in some cases haven't had the solution for in the past. Or on the flipside we've discovered in some cases there's been issue that we have been fighting for a while such as unsafe water that up until more recently there hasn't been technology available or opportunity available to provide safe water, as an example, into a child's home. Previously if you wanted to do that in a child's home you do a central well and you got to do plumbing basically. And when you're talking over a million kids around the globe that gets pretty pricey pretty quick and that's not something that's sustainable, especially when safe water is simply just one building block to enable the child to actually have a great education, to be able to have health and go to school, to be able to have health and go to church, to actually grow and thrive as the child God created him to be. Water is just one of those building blocks. It's a critical piece but something that was cost-prohibitive before some more recent technologies. And so sometimes we see a brand new need arise and now we see a brand new technology arise and ultimately either of those two things can create the catalyst for a new product for us.

Chad: Okay. So it's really being in the field seeing what their needs are and trying to bring a solution to that. What was Compassion's experience with developing new products? How did you come about creating a process for that?

Geoff: Yes, that's a good question. When you're in an organization like Compassion International, we have right now I think our numbers are right about thirty five hundred staff globally. There are a thousand just here, out of this office here in our headquarters in Colorado Springs.

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Chad: And I should mention for the listeners that we're actually doing this interview live at your headquarters in Colorado Springs. I get to meet you.

Geoff: That's right. Right here in the office. And so when you're in an organization like this full with people who are driven by deep, deep spiritual, faith-based motivations for why we do what we do and I think in any organization when you really have a healthy staff environment, good staff rapport, good staff morale, you end up with almost no shortage of ideas. "I got a new idea. What if we helped kids do this? What if we work on this issue over here?" So we'd literally have just no shortage of ideas, thousands at a time and as we began to see more and more of the need for us to expand and offer some of these ancillary products to raise funds and to enable capacity in some of these new areas we need to work, we started seeing no shortage of these ideas.

So we actually developed a formal stage and gate based new product development process. Myself and a couple others here in the building really scripted that from start to finish looking at industry best practice, looking at what works well and then customizing it ultimately for what will meet our own needs, contextualizing it for how we operate as a ministry and how we operate as a nonprofit. Also with the reality that for us, just because the marketers, so to speak, think this is going to be a great idea, ultimately it's our program staff, the people who are in the field working with the kids are going to say, "You know that mosquito net actually doesn't keep mosquitoes out." Or, "That mosquito net actually, you know you gave just one to the family but what you didn't know was dad's a fisherman and that's a great net for catching fish. So he's going to take that..."

Chad: And get repurposed.

Geoff: And the net's going to get repurposed. So you end up with you know, if you're not really lockstep with your program staff then you're kind of go astray. So we had to develop a model for product development which really focused on a whole lot of those variables, keeping all that into consideration.

Chad: So this was new to the organization?

Geoff: Brand new.

Chad: So you put together a new product development process based on a phase-gate stage-gate sort of methodology and so it sounds like you're going through some process where you come up with ideas, they're submitted, you do some product concept testing to see if they're viable or not, getting feedback from people in the field. At some point they go into development and then it sounds like you have good field resources do field testing with them and then launch them to field.

Geoff: Yeah, right on the money. I think the, I should say our first time out of the gate with this was about five years ago when we first developed the process. We knew we had a need for new ideas and everything else and as I alluded to a second ago, we have, we knew we would never have shortage of ideas.

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Chad: Lots of ideas available.

Geoff: My goodness. We had a two-day retreat, did tons of ideation work, brought in great kind of third party data you wouldn't even think about, random other ideas and even consumer products were brought in, "Look at this. How you might relate this to the field?" It was all sorts. We just got people's brain popping all over the building. It was great exercise.

Chad: So this was a two-day ideation retreat with employees?

Geoff: Yeah with staff. We have about sixty staff and at the end of two days we have over twelve hundred product ideas.

Chad: Wow.

Geoff: So yeah. No shortage. And that of course was when we were very glad that we had created this larger process to funnel these ideas through and actually determine, you know, what were the products which needed to rise to the top because they were going to really do the best job of serving the needs of the kids that we have in our field countries.

Chad: So out of that, how many ideas you said you started with?

Geoff: About twelve hundred.

Chad: Okay. What happened next?

Geoff: So about twelve hundred ideas. As we began to sift through, we had a team of us from our product marketing area began to sift through all twelve hundred ideas, and we started by just kind of letting some large bucket categories naturally form. So these are ideas that relate to health, these are ideas that might relate to education, these are ideas that might relate to disaster response and those types of things. And then as we had some larger categories, then we had to sort them into even smaller categories within those so ultimately the process landed us after sifting through, we ended up with about thirty-five or so product, actual kind of fully-baked product ideas. In some cases, some people obviously had written product ideas that were, you could tell they were sitting at the table and they all kind of talked about an idea then they all kind of wrote it down but all wrote down kind of differently. So we kind of merged a few that sounded similar and came up with a total of thirty-five that we wanted to really pursue immediately. And by pursue I mean put that into the open funnel of our new product development process and begin to see what showed more fruit early on, so that's how we went about the early on phases of our process.

Chad: So you went from ideation activities, about twelve hundred ideas, synthesized that, see what related together, out of that came about thirty-five well-formed product concepts and then what happened next?

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Geoff: So the next phase for us was, now that we had these ideas that were generated, we then went to kind of market test. So our phase for that was we would line up along, both an x and y axis, we had on the x axis the questions, "To what extent to you value the opportunity of supporting this concept, this product, this idea? You're effectively asking, you know, people to make a comparative analysis in their own minds, "Do you think it's more important to provide safe water or HIV medicines or prevent trafficking or whatever else?" And it's questions that are geared to helping us understand what people value supporting more. We know from our field staff that we had all have this needs.

Chad: Right.

Geoff: So that's our baseline. We knew these were needs so we said, "Okay. What can we tackle first?" It's not that the rest of them get back burned and never handled but we got to start somewhere and we can't solve all the world's problems immediately, right?

Chad: So was it a ranking exercise with the thirty-five

Geoff: It was very much

Chad: Basically how excited are you about this product?

Geoff: Yeah. How excited are you about the product? And that went out to people through a web-based kind of quant study sent out to people who we had already kind of prescreened as would be open to supporting an organization like ours. Christian based organization who work through local churches in those countries to help children living in extreme poverty.

Chad: But not existing sponsors?

Geoff: Right.

Chad: This was a new market.

Geoff: Absolutely. This is brand new folks who should be sponsors and supporters based on their profile but we haven't found them or we haven't talked to them necessarily yet, or they're not in the door at the moment. So that was the first question. Second set of questions was really set up to determine to what extent would they be likely to support it? So the first question was, "How much do you value the idea?" The next question was well, "Out of all these ones, which one would you be able to support?" Now we're talking about you see the dollar equation come in. How much money would this be monthly? Is this a one-time gift? Is this a monthly gift? Is this an ongoing donation? Is this just a one-time need and filling out all those types of things so we ended up taking both of those sets of questions and then plotting them along the x-y axis to determine when we had those products that landed in the upper right quadrant, those were the ones that we thought, "Okay from an external standpoint, perspective potential future donors and future supporters, this cluster of products are the ones that they would most likely to support." And of the thirty-five, we had ten that came into that upper right quadrant.

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Chad: So ten made the cut. "Yes, I'm excited about this product." The audience was someone who is not currently a sponsor but has a profile of someone that would be interested in sponsoring with Compassion sponsoring kids, donating to Compassion. So "I'm excited about the product. I will only provide X dollars" whatever it was in the survey. That was your upper right quadrant.

Geoff: Yes.

Chad: Okay. So you went from twelve hundred to thirty-five. Now we're down with ten.

Geoff: Ten. That's right. And the filtering and the whittling down process continue. The next step for us is more of an internal look. We have to look at our internal systems our internal technology and what internal mechanisms do we have in place that can support these products. There might be a product which we think you know has great potential but if we have no existing infrastructure that's anywhere near able to support it, then that's not going to be a feasible solution for us to bring to market anytime soon so that was the ultimate goal was to begin to sift through and identify which ones had potential and then ultimately do some ranking based on that as well.

Chad: Was that just feasibility for the organization being able to get it done? Was it also fit to the organization? Should these product concepts that fit our mission?

Geoff: Yeah that's actually a great question. The fit question we actually baked a little bit earlier into our process.

Chad: Okay.

Geoff: So those thirty-five ideas were fit. I mean there some out there where we would say, "You know that's a great product idea but that's not our brand. That's not who we are as an organization. That's not our identity. It may be a massive need but it's not something we have the expertise or would be equipped maybe to do."

Chad: There are other faith-based nonprofits that have interest in that, right? But not a fit for you.

Geoff: Absolutely. So by this point we got ten. We now going to rank based on internal options and we began to move forward in our process with actually doing a little bit of deeper engagement around some specific ideas, some specific products at this point with different focus groups. At this point we engaged more of the creative side. You know we present the creative idea of these products to a couple of various creative agencies, get them to drop some mock ups, how would you present this idea to people. For a couple different products I think we were at that point, we kind of had said we wanted to move forward with three I believe at that point and one of the creative agency got all that collateral and then put that collateral on those ideas in front of focus groups to learn what they would say. These focus groups again are not supporters but people who had fit the profile of someone who had said in the past that would be supportive to an organization like Compassion

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Chad: And the collateral at that point was visuals, graphics.

Geoff: Yep.

Chad: You're not doing physical mock ups.

Geoff: No.

Chad: Some of these products might not fit that, but it's a description of the service. Maybe pictures of how that impacts recipients of the service.

Geoff: Right. You begin with expressing the need, helping the people understand the need for these products so if it's safe water then what are the statistics related to how many children die from water borne illnesses on a daily basis or an annual basis. How does unsafe water affect the health of an entire family or an entire village? But more specifically in our world, the life of that child who's in our program we're trying to pull out of poverty and make this new life for him or her in the future. So yeah, were talking about creative mock ups, photos, great descriptors, sets of keywords that we might use to describe the product as well and we move forward to see what shakes out at that point.

Chad: Yeah. Okay. So you took three to do more market research with, three concepts?

Geoff: Yeah we did. We ended up actually there were two of us in the product development space at that point who really had room in our plate to take a product at the time and begin to bolt with it, and just run with it.

Chad: Okay.

Geoff: So I ended up taking a water focused product and one of my colleagues began to take kind of an infant mortality based product. How do we you know provide more nurturing care towards the moms so that there's a safe birth and that type of thing. So my realm went more into the water focus so I was sitting in these, observing these focus groups of people evaluating some new water technology that we have come across and thought would really solve some of the issues that our kids have been facing around the world.

Chad: Okay. So we got it narrowed down to one that you were running with now and try to flush out the real concept on what to do about a water product. What did you consider within the realm of possibilities? There are a lot of ways to provide clean water to impoverished kids.

Geoff: Yeah I mean as I alluded to earlier, our biggest hurdle here was providing safe water in the child's home.

Chad: Okay.

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Geoff: You can provide safe water through a well or through a bore hole and there are also other kinds of technologies and solutions but ultimately if the child still has to walk. Let's say the household needs water, most of the time in most households, the father is not the one in these countries that goes and gets the water. It's the mother or it's the children and we're not talking about some short distance of a walk. It wouldn't be uncommon for it to be a 5K round trip to get water from the nearest source. Not uncommon at all. You're talking about children who are then carrying buckets of water, and that's heavy. There's a whole lot of reasons why in-home safe water solution is the most important. In talking with our folks in the field, we learned pretty quickly and I think what we all understood kind of intuitively after having a couple conversations was that it can't be a solution that requires any power, it can't be a solution that requires batteries, it can't be a solution that has parts which needs to be fixed maybe on a regular basis or you know the filtering mechanism for the water might only last for six month at a time or something like that and they have to get a new one. These things, there's no neighborhood Home Depot for them to run down and get a replacement part so if you're going to provide a long term solution, it's got to be sustainable and it's got to last.

Chad: So it's really designing for that environment, designing for their use and their service ability, capability.

Geoff: Absolutely.

Chad: Okay.

Geoff: So that's kind of where we began. A lot of our reviews of different technologies. There's some great technology. We discovered there are some companies that do these great filter straws. It's just a straw. Any cup of water and the filter is the straw but have you ever seen a three-year old try drink through a straw. I mean the concept alone is "Why isn't the water not coming into my mouth naturally? What do you mean I have to do something else with my mouth? I don't understand this." Plus most children you can't get enough pressure to actually pull the water through the filtering mechanism in some cases. So this just wasn't a viable solution.

Chad: Yeah. Actually we have those for hiking and my kids are older, you know nine and twelve now. They can use them certainly but they still talk about why is it so hard to suck the water through this.

Geoff: Sure. And nine and ten, right? So three-year old...

Chad: Not a chance.

Geoff: Four-year old. Not working. Exactly. So ultimately we came across a company that had been developing a water filtration system for camping use and they had already some inklings and some ideas about maybe this would also work in the developing world but they're a camping supply company. They don't have an inroad there. So as we began to have these conversations, we began to learn more about the technology that they had been working with. They discovered that in this case, they were using a

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hollow fiber membrane filtering system which is just basically a big tube, a collection of tubes that are porous enough to allow water in and out but the pore size is 0.1 micron in size so therefore anything larger than 0.1 micron size doesn't pass through.

Chad: Okay. And how small do you need to be to block pathogens from developing countries?

Geoff: Exactly. So 0.1 microns, all biological contaminants are larger than 0.1 micron. So we figured, "Hey that's great. This sounds like it might be a viable solution." But now we got to figure out, "What is the technology that are you going to use to push the water through this thing with enough pressure?" and doing some research and everything else we discovered if you put, if you fill up a five gallon bucket with dirty water, there's enough water pressure just with gravity flow, if you put the nozzle at the bottom of the bucket, that the water will just push its way through the filter and so we jokingly said, "Well I guess this will work everywhere that has gravity," which hopefully is everywhere on this planet at least.

Chad: Pretty safe bet.

Geoff: Pretty safe bet. And so we were able to kind of put that together and developed what we call, it was basically a bucket and a filter. That's what the technology looked like. So by the time we get into the focus groups

Chad: Easy enough to use. Easy enough to service.

Geoff: That's right.

Chad: No moving parts there right? No fuses to replace, no motors you have to fix?

Geoff: No and I can't emphasize enough the value and importance of contextualizing the solution to the people you're serving, people who need the solution and thinking about all of those little intricate details about contextualization is so important. I've travelled to dozens of developing countries now and more often than not I've seen solutions that are sitting in people's homes. Water solutions, as an example. Well the battery ran out or the filtering mechanism went and they need to get a new one.

Chad: You've probably seen well pumps.

Geoff: The most heartbreaking one was in Haiti, a water well that was just dripping water. There was still plenty of water source below but whatever company or whoever installed this water well which was the primary water source of this community, it was the fuse. It required a fuse and after a certain amount of time, the fuse blew. They do that and they're on an island off the coast of Haiti, La Gonave Island, and there is no fuse.

Chad: There is no fuse store on that island?

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Geoff: You can't go get a fuse. That's just not going to happen and they were so like, "Okay then we'll go back to you know making the trek out to the sea."

Chad: What they did before.

Geoff: Boil the water. It's a process. So for us, having no replacement parts needed and something easy and simple to setup and use was really important. The other thing was the longevity of the filter mechanism obviously and because of the technology being used, the filter actually could be self-cleaning in a way. You take some safe water you put through the filter and then using a syringe or some other way you kind of push it back through and clean the filter and in their early test; they discovered they could do up to million gallons of water with this thing. It's no larger than a roll of quarters the actual filter mechanism to do a million gallons and if you do the math.

Chad: Yeah, I was wondering about that. How long does this last to a family?

Geoff: So a family, your average person who drinks your doctor recommended 64oz of water a day or eight glasses whatever you drink what you're supposed to drink. If you drink all that in your entire lifetime and you'll live up to eighty, you only do about sixty and a half thousand gallons of water. So on a million...

Chad: A million takes care of a family and then some.

Geoff: Yeah, you're basically looking at water for about sixty people for a lifetime.

Chad: Wow.

Geoff: That's huge.

Chad: And that's from a bucket and a small filter that's like the size of a roll of quarters.

Geoff: That's right.

Chad: That you can back clean yourself.

Geoff: Yeah and the killer of this whole thing and the entire technology is actually based on kidney dialysis technology. It's technology we've had around since the 70s but someone finally said, "If this technology can clean blood, I wonder if this can also clean water." Sure enough it works. So you know, forty years later we applied old technology for a new purpose and we've got safe water in the developing world.

Chad: Very good. Okay. So you went through this ideation to product development process. So just to recap, you had twelve hundred ideas during the two-day ideation meeting, ideation event. Narrowed that down to thirty-five. Ranked those, came up with ten. Took three out to market research. You took

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one of those then to actually develop into a viable concept, do prototypes, do field testing. Tell us about the field testing part of this.

Geoff: So the field testing part of this. We took some of those different solutions that I mentioned before and we went out to a couple different field countries and they tested them. We started with a health assessment of a group people, gave them the water solution to use and then held a new health assessment six months later to determine if it had made an impact on the health of the individuals and the kids and that was our major benchmark you know. "Is this thing working? Is it usable?" and then kind of interviewed those folks after the fact you know, what was usable, what was not and we had our field staff do that work. I mean they speak the local language. They know the community very well. Some of the great things about us, you know, Compassion, we only hire locals. You're not going to send a bunch of us Westerners out there.

Chad: So there aren't culture clashes.

Geoff: Yeah. You don't have to worry about any of that stuff. It's just, "Hey did this thing work? Yes or no." We get good data back that way.

Chad: You found if it's being used the way you intended?

Geoff: That's right.

Chad: Like the net that ended up for fishing?

Geoff: Unfortunately, the syringe that I mentioned before which is used to push water back through and clean the filter, we did discover some folks had used that, had attached a needle and were using that to vaccinate their cattle because they had been needing something like that. So we quickly, in later iterations of the product, it's now kind of a bulb, more of a squeezey bulb type thing which pushes water back through and not really a syringe that you can use for multiple purposes.

Chad: And with the feedback, did you learn more about training that needed to be done to use the product properly? Where there issues with that?

Geoff: Yeah. What we learned is that with the deployment of the product there's going to be continued additional contextualization around the training. For example in Rwanda, when we began to deploy this in Rwanda, we found there was a whole lot of heavy clay sediment in the dirt and so if they weren't actually cleaning the filtering system every other day, or really daily, if it got dry. If the line, if the supply line of water and the filter got dry in there ever, it would turn into a rock. The clay would just settle in there and the whole thing becomes unusable. And so that became part of the training mechanism in Rwanda. And now as part of our ongoing strategy, every time we deploy this to a new country, we start with a test group and heavily monitor, understand, "How it is working. Is it not working? What needs to be changed?" Those types of things and you standardize the training for that country based on the needs.

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Chad: You're localizing this for each group that it goes to.

Geoff: Yes exactly.

Chad: Train as needed

Geoff: Yeah. Now the flip side of the whole thing, if you go back to the focus group model. Once we had the pictures and descriptions of this filter you know the focus started to get really interesting. Here we're now with groups of Americans and said, "Would you support this?" because we were able to price this upfront that we thought would be around fifty bucks. It's now \$79 per unit but at the time we were estimating it would be around fifty or sixty bucks.

Chad: And what is that cost? Is that the cost to make this? Is that the cost for the donor to provide one?

Geoff: Yes that's the cost. That's what the donor would provide in order to be able to get the filter, the training, the entire unit manufactured, shipped from overseas and deployed and delivered to that end user's home through the local church that he or she is connected with in the community.

Chad: Wow.

Geoff: And so pretty good deal for safe water for the rest of your life still \$79 is not a bad deal. But you know that's when you would learn the power in this focus group. You learn the power of words, you learn the power of what description works well, what don't work well. And I'll never forget, we had given this entire description about this incredible product that's going to provide safe water for children around the world for \$50, \$60 a month, excuse me, one time not a month. One time. For \$60 one time and at the end of the focus group we said, "How many of you would want to support something like that?" and we're thinking, you know those of us marketers behind the glass were thinking "We've hit this one out of the park. This is going to be great" Not one person raised their hand.

Chad: That was deflating.

Geoff: That hilt and so I'm getting with the researcher and I am whispering in their ear, she had the little microphones to the researcher, to the focus group moderator. I just said, "Can you please ask why?" And what we determined is this one gentleman spoke up and he said, "I think you're lying to me. I think you're absolutely lying to me."

Chad: Let me guess? It can't be that simple and that inexpensive.

Geoff: Not only it can't be that simple and that simple but here's the rest of what the man said, "I have a filter on my refrigerator. I have filter on my water faucet. I have to replace those things every six months and they cost about the same amount. You're telling me that for that same amount of money, these people are going to get a filter that actually last a lifetime? I think you're lying to me. I think it's a scam to get my money. Okay!

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Chad: This is too good to be true.

Geoff: Helpful. So in the next version, the next focus groups that came for the afternoon focus groups, we took the word filter out of everything and we simply refer to it as safe water system. This is your safe water system, because it's too much to go down the road of saying, "My Brita filter in my faucet is taking out the slight chlorine taste or the metallic taste whatever. It's not taking out E. coli and you know cholera. That's a whole different ball park here.

Chad: Which if you try to explain it will probably sound more unbelievable.

Geoff: Yes, now were talking, nor do you have that long when presenting the product option to someone, you don't describe you don't take that much time so we just said safe water system and by doing that, it removes the preconceived idea of, "I know what a filter is."

Chad: Okay.

Geoff: And suddenly same description, same everything but we just said safe water system instead of filter, the entire focus group hands all up around the room.

Chad: Reframe the product and huge success.

Geoff: Absolutely.

Chad: Wow. That's a good story in itself, right? The importance of framing the product properly and the words that we choose.

Geoff: Absolutely.

Chad: Safe water system.

Geoff: Yup. And it's a killer for us even in our marketing now because we even in our own department here, when we're going to write a copy for it, we're thinking. I can't tell you how many times I've said, "No. We can't say filter. We can't say filter." Because it's just so natural to say it's a bucket and a filter because that is simple, but filter, yeah it doesn't fly well sometimes.

Chad: Very good. Okay. It sound like this has fielded, it's in several countries.

Geoff: It has been fielded now, in my last check we had deployed, we were just under the 250,000 mark, of 250,000 of these units that have been deployed and we're coming up with new uses as well. Some countries, they're being innovative. They're discovering that if they just attach the filtering mechanism to an oil drum and fill the entire oil drum up with filthy water then the safe water that comes out, the water pressure is pretty phenomenal so they are able to fill up water bottle and everything else, they had the kids lined up, every kids get their water bottle for the day. Lots of great stuff. We're in South

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America, Asia, Africa. I think about twelve or thirteen countries spread across those larger continents, those regions. It's been going really well.

Chad: I want to ask you more questions about the product innovation process for sure but for listeners that are hearing this and if they are getting interested, I know one of my charities is what Compassion does and Water of Life and I pay attention to other water charities, because I see water is a vital thing for life, especially in impoverished worlds. For anyone that's listening now that just wants to know more about Water of Life, go check it out, where would they do that?

Geoff: You could easily go to water.compassion.com or the easier thing to maybe remember is just simply compassion.com/wateroflife.

Chad: Okay. So Water of Life. Probably if you google Water of Life and Compassion

Geoff: If you google Water of Life and Compassion you see lots of things. Actually if you google Water of Life and Compassion through YouTube, put those things in, you'll find a whole lot of real fun videos. We have a lot of folks around the country that have come up with pretty innovative story ideas or innovative ways of testing this type of system in their own backyard kind of thing.

Chad: How fun.

Geoff: So that's kind of fun too.

Chad: Yeah. Cool. So back to the new product development process, so this sounds like it was a great success for the organization. Before this process went in place, this phase-gate sort of process, Compassion was not really familiar with product development and innovation, being an old organization and not doing new product development. How has this worked out for you? So this basically this was an ideation approach and there's lot of ways we can go about getting ideas. This was an employee-based ideation approach which I think works really well, especially for organizations that don't have much product development process at all. Have you done any other ideation events? Has this carried on?

Geoff: So the full scale ideation event, we have not done another one of those. What we discovered was that generally there's whole lot of buzz and a whole lot of ideas. That was great. What it did not do was provide an ongoing mechanism, create an ongoing mechanism that kind of crafted ideation and innovation as a core competency of what we do on a regular basis. So it didn't create a way for people to say, you know, "Gosh I was reading this magazine and I got this idea. Hey, let me share that. Do I have to wait for the next innovation to share my idea and what if it's not on one of the categories or something else?" So we actually kind of created a two-step model that we use now.

One is at the start of each kind of calendar fiscal year for us, we'll work closely with our field staff to determine what are the top needs that are out there. What are the strategic needs that we have? Then we'll start our innovation at that point so they're innovating against a specific strategic need. Similar to what we did before but now it's an annual thing and the field staff has even begun to understand, okay

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at about this certain time of the year I'm going to be able to raise up, "Hey we're having this strategic issue. We're really seeing this problem," and toss that need into the mix, and then we kind of open it up. In some cases we're opening some ideas up just for the marketing teams. In some cases we'll meet with our program staff here in the building and say, "What are some of the ideas you have on how to solve this problems?" And it really becomes more of an interactive and ongoing conversation. It allows us to involve more people in the process but in a strategic way because the down side of open innovation when you're talking about just tossing ideas kind into a black box, is a lot of times people don't know where those ideas go to. They get, "I have this phenomenal idea." They toss them in the box and nothing happens and no one gives them feedback as to why. And so they get frustrated and they think that, "The organization doesn't want my ideas." After you do that enough time, you think, "No one is really listening."

Chad: This actually creates more problems.

Geoff: Absolutely right. It really can. And so we created the model that actually allows the ongoing dialogue back and forth and helps people to understand all of our solutions, all the products that come out with are strategically targeted specifically to the type of organization we are and the kids we serve around the world.

Chad: Okay. Very good. So if there was an organization that was like maybe Compassion was a decade ago that had little experience with product development, nonprofit, not nonprofit, what would you tell an organization like that that recognize our future survivability depends on developing new products. What would you tell them to get started?

Geoff: I think the first thing to do is to develop a process, develop a mechanism for evaluating products along a consistent set of variables. That was one of the keys as we developed our process, each stage in our process has a specific set of questions that needs to be answered before the product can go on to the next stage. Because we scripted all those variables in advance, we knew, "In order for a product to get from feasibility into the design phase, it needs to reach xyz criteria." We worked with our senior leadership to make sure everyone's onboard on what those criteria are. That way there's no surprises. Also what that does is that it does two things. It helps eliminate pet projects. Because we always have, we always see, you know, somebody somewhere's got this great idea and they are going to push this through come hell or high water type of thing.

Chad: Most organizations do.

Geoff: Right. No, no, every product has ... So this is our set criteria. This is the litmus test. Every product, I don't care if it comes from the CEO or if it comes from one of our supporters who lives you know fifty miles away, it doesn't matter who the idea comes from, they all go through the same rigor

Chad: Okay.

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Geoff: So develop that process first.

Chad: Can you share any examples of those metrics? I know they change probably by gates but does a key one stand out.

Geoff: Yes so early on for us, some of those key metrics involve the longevity of the product so “Is this a great idea for now? Or is this an idea that we think is going to have some staying power?” You know we don’t want to develop a product and get it out to market and, we’re not the type of organization that will put something to market for six months and then pull it and never offer again. That takes away from the larger needs that we have. In our world we have to be pretty strategic in the use of our funds. I think all organizations do, all companies do, but especially in the nonprofit world, our primary role here is stewarding the resources that God has provided, and if we’re trying to listen actively to where He is asking us to do more, then we need to be strategic in the use His funds to do more. And so those new products are ways that we do more for His Kingdom but ultimately it’s a matter of being good stewards. So some of those early on metrics really focus around stewardship of realizing ... it’s the classic dilemma in product development right? At some point along the line you’re going to kill off products which would have been successful but they wouldn’t be as successful as another product. And when you have a finite amount of resources, you have to direct it to things that are going to be more successful.

Chad: Exactly. Like I’ve told Chris before, you may say you have four products that are nine or tens, but if you only have resources to only do two, you pick the two tens.

Geoff: You’re going to pick the two tens, that’s right.

Chad: And that’s just the tough decisions you have to make but you end up doing more good, however you’re evaluating good, but you end up doing more good by working on the ones that are most valuable.

Geoff: We do some work early on within our focus groups within our market research to understand the size of the market. Potential market size, potential market penetration rates as well as understanding what will be the cost of going out to market and that obviously early on factors in. Those are some of those kind of static filters early on. Part of the litmus test of every new product. It’s got to meet certain criteria that the organization have set. It has at least to be able to do X. If it can’t at least do X then it’s killed, it’s off the table

Chad: Good. So if your organization is new with this, look at a product development process, at how you get ideas, how you evaluate those ideas, how you move through gates, making decisions.

Geoff: And I can’t emphasize enough, so critical to have the process in place first because so often you start with the idea of innovation. You say, “I want to start getting and gathering a bunch of new ideas.” That’s fantastic. You have a bunch of new ideas and now what? And now you have to develop a process. You have to figure out what to do with it and that takes time, so if you start by developing the process

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and then gather the ideas, then you can maintain employee, staff, organizational excitement because they're going to see these products working their way through the process.

That was the other thing we did. We took all these ideas, we told them we have twelve hundred. Now we whittled it down to thirty-five. And everybody who participated, who gave an idea there is an ongoing report back at those folks, letting everybody know what the ideas were, how they're flowing through the process and we maintained a high level of energy. People were excited to see what's going to come out at the back end. What's going to be the thing that makes it, you know.

Chad: Right.

Geoff: It's sort of like those weird races at the baseball game on the jumbotron, "Is it going to be the hotdog? Or is it going to be the fries?" you know, who's going to win the race here. People are kind of getting excited to see who's going to make it to the end.

Chad: And you created trust and excitement probably about doing this process again.

Geoff: Right. That's right.

Chad: Very good. You mentioned in the beginning of our discussion that you did the New Product Development Professional certification with the PDMA. Was that, I don't know if that's part of what's going on here? Did that help build any kind of foundation? Does that factor in to?

Geoff: Absolutely. It actually was a pretty big factor. Since the organization have no capacity, no history around product development, we really did a deep dive, myself and one of my other colleagues who were really kind of put in charge of this product development process and new products. We did a deep dive and tried to learn everything we could and so we quickly discovered the Product Development and Management Association, PDMA, and their wealth of resources and knowledge base around new product and process and everything else and then as we were discovering more, "How do we learn more?" We realized that there's a certification process to become a new product development professional. So we went for our NPDP certification which took a whole bunch of classes over the course of I think about three months or so of course work and then finally certification class and got certified and I learned a ton. Learned a ton about what works, what doesn't work and it was helpful because you can go through that process and sidestep a lot of the mistakes that other companies have made or that the industry would waive their flag and say, "Seriously don't ever do X, Y or Z." you know. Okay. It sounded like a good idea, but maybe there's a reason we shouldn't go there so let's not do that.

Chad: And I didn't mean to sound like a self-serving question as I provide New Product Development Professional certification training.

Geoff: Sure.

Chad: But I didn't know if it's a real foundation to what you guys

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Geoff: Absolutely it was. In fact as we continue to move forward and hire more staff in those areas, you know, NPDP certification is one of the things that we list as a desirable thing for someone coming into the role.

Chad: Good. Well, if you have anyone else that needs help getting trained, let me know.

Geoff: Absolutely will.

Chad: I would like to ask for an innovation quote. What's a quote that has meaning to you?

Geoff: Innovation quote. I think for me the quote that we put around our area of the building during this whole process in developing our model, everything else, we don't have to look further than scripture and there's a verse from Isaiah chapter 43 where God's saying, "Forget the former things, do not dwell on the past. See I'm doing a new thing. Now it springs up. Do you not perceive it. I'm making a way in the wilderness, and streams in the wasteland."

And for us, that is the nature of the God we serve. He's always up to something new. He's got a constant consistent message all throughout history of redeeming his creation and all the brokenness that exists all around the world in forms of unclean water, in terms of child slavery and in terms of deep, deep poverty and it's all part of the same continuum. We're a part of that same journey of trying to help as Christians, as followers of that same God, that loving God to be His hands and feet and be able to do those new things, to pay attention to what He's doing, to try to accomplish the goals that God has for his creations and for his people. So I love it, especially the idea forget the former things, that's Isaiah 43:18-19. "Forget the former things; do not dwell on the past"

Chad: Sounds like to create something new

Geoff: Yeah.

Chad: This is the first time I received a Bible verse as an innovation quote but I can see innovation in there because I think of innovation is to do something in a new way.

Geoff: Yeah.

Chad: And that does talk about doing something in a new way.

Geoff: Well and that's the story of, it may be slightly tangential but that's God's story throughout history. If you look at the entire bible, if you were to survey the entire Bible and you begin at Genesis chapter 2 and once the fall happens, once this separation, so to speak, then throughout the rest of it, it is covenant after covenant after covenant. It is God saying, "Okay Noah, I got this thing. You're going to help Me redeem the world. Abraham, you're going to help me redeem the ... David I got this promise."

His history throughout all of history, His track record is continuing to try to put us back together again and finally with sending His son Jesus to die for our sins and to offer up that salvation for all of us and

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then passing the gauntlet to us as the individuals, as the followers to say, "Now, keep the ball rolling." It's a continuum and this new way, this new thing, God's always doing something new but it's always around the same idea. And as God is always doing something new for that same idea of restoring humanity, then us as a Christ-centered organization need to be in touch with what He's doing new and offer ways for people who are part of this Christian community or the larger world over all, ways for people to engage with what God is doing through our productization of different opportunities or in many other ways, so it's all part of the same story for me.

Chad: And that connects back to the passion of why you work here and others work here.

Geoff: That's right.

Chad: And which we see in most nonprofits, I would expect, right? That people work there because they're passionate about sharing the message.

Geoff: Absolutely.

Chad: I haven't read the Bible before looking for innovation insights but maybe I have to start now.

Geoff: There you go.

Chad: Geoff, I really appreciate your time. Thank you for talking about the ideation approach and that new product development approach that you've used here and sharing the example of Water of Life.

Geoff: Yeah, thanks for your time Chad.

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