

TEI 072: The 7Ps of successful consumer products

Host: Chad McAllister, PhD

Guest: Tracy Hazzard

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Chad: Hi, this is Chad. Your host and founder of Product Innovation Educators, where product managers become product masters. My guest is known as the “Product Whisperer.” She is CEO of industrial design firm, Hazz Design, and co-designer of many consumer products that you buy at retail stores every day. She’s a graduate of the Rhode Island School of Design and for more than twenty years, she’s been creating for companies of all sizes, pushing them to re-think their product lines in order to increase revenue and customer satisfaction. She also co-hosts the WTTTT 3-D Printing podcast and is regularly contributing to Ink Magazine. Her name is Tracy Hazzard. Among the topics discussed is her 7P process to successfully design and launch consumer products. The 7 P’s are simply Prove it, Plan it, Price it, Prototype it, Protect it, Predict it, and Produce it. You’ll hear the details in the discussion. Get the summary and the transcript of the discussion at www.theeverydayinnovator.com/072. Now, to the discussion.

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Chad: Tracy, thank you so much for joining The Everyday Innovator podcast.

Tracy: Thank you so much for having me, Chad.

Chad: So, you have a lot of product experience, and you’re a great person to be talking to the Everyday Innovators today. When it comes to that experience, you have your name on tons of patents and you’ve been part of product teams now on over, I think it’s 250+ consumer products?

Tracy: Yes. My partner and I, who is my husband as well, we have been doing this quite some time. Between the two of us, on and off together, 24 years, but probably the 250 products, they’ve been in the last 12 years, so I would say that’s pretty close. Ten to twelve years. It’s growing every day, because we never, you never know when a retailer is going to take it in, so it might not appear in the store until two years after you designed it

Chad: Sure. And in all that experience doing consumer products, is there a category that you’ve really liked working with? Or a product that stands out that you have a good story behind?

Tracy: I’ve done a lot of office chairs over the years, and that started with, actually, contract experience, working at Herman Miller and I got to work with Bill Stump on the ??? chair, which is just the original mesh structural chair that every, that’s become synonymous with tech, the tech boom.

Chad: It’s the iconic chair.

Tracy: It is.

Chad: As someone that went through the startups and the dotcom era, if you were a startup worth anything, you had one of these chairs.

Tracy: Exactly. And unfortunately when the bubble burst, they are also synonymous with piles of them being auctioned off.

Chad: Well, in my case, I had three of those chairs at home, because they had no more use when the dotcom happened.

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Tracy: Yeah, we've Ebay-ed a few over the years.

Chad: So chairs is a popular topic. Give us an idea of some other categories that you've worked in.

Tracy: So, a lot of juvenile products, which I really enjoy, because I have kids, and I have a lot of fun with those. When you have some firsthand experience in a product category, it's always a little more fun. I've done things that I have no experience in. We started doing gaming products at one point—gaming accessories. I have never really been a gamer before, so that, you know, you have to dive in and get into it and start to learn firsthand what it's all about. It's a challenge for your product managers listening. They may end up product managing diapers and they've never had a child. You never know what it's going to be tomorrow. It's always interesting and exciting and I like that variety, but I always have more fun with the stuff I know something about.

[3:56]

Chad: Sure. I think it goes both ways. If you're the novice or new to a domain, then you bring some fresh insights that others may not, and you can actually help with the innovative nature of the product.

Tracy: Exactly. For us, we have a very systematic process that we apply, which is part of our high success rate, but that process applies no matter what product category it is and that is because we do a lot of research, heavy, at the beginning of anything. Getting to know target consumers, getting to know our product categories, getting to know the competitors. We spend a lot of time up front doing that and that give us that deep dive we need to be successful designing in that category.

Chad: Absolutely. You have to learn what's going on before you can really start understanding what the customer needs. I've heard you speak quite a bit, and one of the topics you have talked about, and I'm going to call it right-sizing. Not necessarily your terminology, but talking about right-sizing the product or service in terms of what actually provides value to the customer as opposed to maybe throwing in additional features, product bloat and the like, that the customer doesn't really need. Tell us where that came from and what's your experience been with right-sizing?

Tracy: So, yeah, we call it right-fit, but right-sizing is a good term for it too. It's just, the idea of making...it kind of goes the opposite way to what minimal viable product...just stresses me, I have to say. It upsets me. Because minimum viable product is...minimal. Meaning that it's the least you can do for someone and I want to provide the most value that someone cares about. So I call it maximum valuable product. I don't want to embed it with tons of bloat and tons of features just to be feature-heavy, but I really want to have it have the maximum impact value, the maximum design impact that my target consumer wants.

Chad: There probably is a twist there, in the sense that I'm sure you appreciate, that the MVP originally was focused on the tech world and software specific and this notion that we can put a product out that we may very well be embarrassed by the first time, but we do that quickly so we can get feedback and make it better, right? In the consumer product world, you have a little less flexibility, because you don't get to rapidly iterate versions, get them boxed up again and out to customers.

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Tracy: Well, it's starting to be that we can, but the issue is that in the consumer product world, there's typically hard products, there's tooling involved, so you're talking about tens to hundreds of thousands of dollars in investments, so you really can't put out something that's sub-par or it's just going to sit on a shelf somewhere. But with prototyping, 3-D printing, all of those things, are making it actually so you can do rapid testing, and we actually are encouraging many, many of our clients to do that right now.

Chad: So, using these small-scale manufacturing capabilities, one way to think about it, the desktop 3-D printer, to do some rapid prototyping, and go from I don't know if you ever think about it this way, but I'm so used to the MVP kind of construct, go from the minimal viable product to your maximum valuable product.

Tracy: Right, so, actually what we do with 3-D printing, and we don't just do it with what is FFF, so desktop 3-D printing, fused filament fabrication, we do it also with the industrial style.

Chad: The powder system?

Tracy: Yeah, the powder systems or even metal. We've done metal, glass, things like that. So that's a great way, though, for you not to tool for something until you're absolutely sure it resonates with your market, so I'm not saying you go and put it on the shelf at Walmart or Target, I'm saying, go out there and do an Amazon market test, or go out there and really, you know, try and sell it to your target market and get positive feedback, and really prove what is the most valuable thing, what's resonating with them, and that's how we've ??? maximum valuable item and really prove it and that's the idea, is to get market and sales proof.

Chad: And I appreciate the focus on value and that you want to maximize that for the customer and in practice, one of the problems with the traditional MVP concept of minimal viable product is we too often focus on the minimal aspect and we don't actually have a viable product, right?

Tracy: Yeah, that happens.

Chad: We're still testing, right? If we're not at the MVP place, we're still testing until we get it right. With this experience in developing consumer products, and as you say, making them the maximum valuable product, talk about right-fitting. I want to get our heads around what that actually means. Describe right-fitting for us and how you came to this.

Tracy: So we started dialing in to what we call right-fit product about 20 years ago when we developed a stylus pen for a handheld computer. Back then, that was the Palm Pilot and the Palm Economy and it was just starting and this was kind of first foray into business together as well, my partner husband and I. And we really had to go through those rapid prototyping only they were really not that fast back then and to really make it fit into the Palm Pilot because it docked with it and we had to do a lot of these things to make it work. But also, we had a really hard time getting it out to the market. It's not like today, where we have, you know, there are thousands of ways to reach people—social media, websites, advertising menus. I mean, we had, there was one catalog and you had to make it resonate and you had one chance to do it and you had to beg them to let you in. So it had to be perfect and it had to be right and so that's where we really dialed in, was what does our consumer want and what are they willing to pay for, and will this sell itself? Because that's the retail conundrum. It's got to sell itself off the shelf.

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And that's where it's just got to be the right fit for me and for, it's got to be a right fit for the manufacturing process, and it's got to be a right fit for the sales channel. So all those three things have to align.

Chad: So, tell us some details about what it means to be the right fit, for the sales channel or manufacturing, for the consumer.

Tracy: Well, in the retail world, you have an unassisted sale environment, so you know, nobody's helping you sell stuff that's on your shelf. People walk by it. So you're packaging is a significant part of that. But it's also what feature jumps out at people. For instance, we have an office chair that's at Costco and it's \$99 every day and of course when you pass a nice mesh office chair at \$99, you're going to stop. But it's the flip-up arms and some of the other things and the facts that it looks like it has lumbar support, that makes people stop and sit in it. And that's what you need. You need to get people to stop, because they're like, I have a problem, my back hurts when I sit in my chair. Maybe that won't happen because I'm looking at that and I see it exaggerated there and it's style, it's packaging, it's pointing it out, everything resonates the one message that makes that chair sell better than others.

[10:49]

Chad: Okay. And I imagine the manufacturing process is something similar that would make manufacturing reduce waste, reduce cost in that process.

Tracy: We like to embed ourselves into, with our manufacturing clients and really get to know what makes them most successful, so when you have to make that chair, for example, at \$99, it's cost of good is super-low, so you have to be extremely efficient. The reason that's been at Costco for four years is nobody else has been able to emulate that. There's nothing patented about that particular chair, but nobody's been able to produce it at that price point, because it's so optimized for the manufacturing process in its flow and how it works.

Chad: Which is a big advantage, a good way to differentiate is being the low-cost provider, providing a quality product that offers value and doing it cheaper than others.

Tracy: Exactly.

Chad: I'm still on this, the right fit of the product. Does this also involve cutting out features? Looking at what is not offering value to the customer and reducing or eliminating those?

Tracy: So, yes, it really does. But more often than not, we do that not so much from what we design for our clients. We go in and we look at their overall lines, so a lot of times a client will bring us in to expand themselves. So once you get on a retail shelf and you're successfully producing and delivering on time and the buyers there would like you to continue to do more, and expand your offerings and expand into other product categories and that's usually where a client brings us in. But nine times out of ten they don't exactly have the growth income yet, if they're growing, if they're a new startup, growing company and they've got a product in but they need more money. So what we do is we really look at their line and say, well, what features can we cut out, how can we optimize that manufacturing. How can we make things better for you, in terms of operations? Cutting dead wood is probably the fastest way to do that. A lot of times, we can cut about, if they've got a big product line, many colors or things like that,

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we can cut about 20% off of their operating and add 20% back into their operating income from doing that.

[12:54]

Chad: Okay. And I was curious about, you mentioned the Palm Pilot. I wanted to dig into that a little more, too. For listeners who have no clue what we're talking about, there was a time I had one of these and a few people would wear them around in their front pockets and be geeky like that. Essentially it's a smart phone that had no phone capabilities, right? It did all the other things. The story is, and I don't remember who actually was the founder who was creating the concept, but he had a block of wood with drawings on the front of it and a little stylus and he would walk around and act like he was using this organizer to keep track of notes and calendars and phone numbers and the like, and ask people about it. I'm curious at what point you got involved in this timeline.

Tracy: So, you know what, what is really so interesting about them is that they were the first developer organization. So they set up this platform at which developers could develop things for their Palm Pilot platform. I think that's such an interesting, because it's so common today, because you can develop anything for the Mac OS or any of those types of programs, but it was the first of that. So we got involved with the invention very, very early on, in that I saw the first Palm Pilot in a magazine and I looked at my husband, Tom, and I said, I want one of those for my birthday. And he looks at me and was like, you want me to buy you an appliance? Are you crazy? Because that was like, you know, do not go there if you want to stay married to me. And I said, yes, I love this idea. This is so convenient. And the first thing I did when I got it out of the box was I said, this is not a stylus pen. Why are they calling it a stylus pen? There's no pen, I need a pen. And then we ordered one from, actually a Cross pen, and it was just a pen body with the stylus stick on it and I was so mad I returned it and so that's where he then invented and came up with the idea for actually how to make them coexist.

Chad: Okay, and bring together a better user experience that was more like writing on paper with a pen that felt like a regular pen.

Tracy: It did. It felt like a regular pen while you were using it and it had, it kind of looked like a calligraphy pen would be the example of how it looked, and so the stylus was offset and then the pen would come out and coexist with it and just go beyond the stylus tip to write on paper when you were ready. So you could use it without flipping over or changing ink cartridges or anything like that.

Chad: A multi-purpose device.

Tracy: Exactly. So it was really early on, to answer your question.

Chad: And I'm curious. Has your husband Tom ever given you a blender or vacuum or anything like this for a birthday or Christmas?

Tracy: We've been married 24 years, so I'd have to say no.

Chad: He's a good man.

Tracy: That's right. Well, my birthday is like a week before Christmas, too, so the other rule is no joint birthday-Christmas presents.

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Chad: That's important to establish. You do not want to get cheated out of presents. I'm sure there's a few other listeners who have the same situation you want to make sure you get your due for both birthday and Christmas.

Tracy: Exactly.

Chad: So when it comes to this right-sizing, which I'm gathering is kind of this combination of really fitting the product for a consumer product for all aspects of appealing to customer, getting them to stop, pay attention to it, what Proctor and Gamble calls that zero moment of truth when the customer is coming down the aisle and they see the product and interact with it, fitting it for the sales channel and distribution, fitting it for manufacturing, is there a process you go through, are there steps that you look at to help make this happen?

[16:31]

Tracy: Yeah, we have a 7-step process that we have refined over time and it's really not the steps that are unusual, it's the order that we do the steps that surprises people. It's happened where this is the most efficient way to do it, and it's the most cost-effective way to do it. So you don't end up redoing things and spending more money. Because the only thing you can do at the end if you don't have a right fit is throw a whole lot of money and marketing and branding and that is super expensive.

Chad: Yeah, you don't want to fix the problem late when it costs a whole lot more. Can you walk us through the seven steps?

Tracy: Sure. So the first step is Prove it. So, it's really that idea of really market proof. It's not about proving that your function works or anything like that, we're just proving that the concept we have has a market, that the right product and the right market have a match together. It's not just the product but it's also that key feature we believe is the key feature. So we start with a hypothesis with what we believe might be the key feature, or one or two of them, and we test them out and we see how they work and how they resonate and we do that through market research, competitive research and just in general, social research. So, any one of those things. Prove it is the first and it's key because we actually kill ideas very early on in the process. We haven't tooled anything, we haven't prototyped anything, we haven't spent any money beyond our time and energy to really research that, and you know, a few consultants if we need to bring in to moderate or run a research group or something.

Chad: Okay. So first is Prove it.

Tracy: Prove it. Then we Plan it. That's where we really lay out the best plan for the process. Sometimes that means that we have to really rethink some resources in order to make something happen, that's where we sit down and we plan out on paper all of the launch process for that product and we present that to our clients at that time. We go through it together, because we want to make sure everybody's clear on how it's going to go, the order that things are going to go, especially when, because we handle design and development, and you have to have a marketing team that's on board and they have their stuff done on time, and you have to make sure it's realistic. So we spend a lot of time on that step and making sure it's dialed in and right.

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Chad: You use the word launch. When you're planning it, are you planning all the way through? So you did concept already, then development and then launch to market?

Tracy: We hold hands for our clients from brainstorm to box. So just through the first run, and then we do follow-up as well, so that's a whole other set of steps. But that's like the after-steps. We check and we get feedback on customer response to it, anytime that there might be problems in customer service they call us. During the first six months after a product is launched, we pay attention to make sure that we make any refinements we can. So, yeah, so it's post, but it really ends at the box.

[19:18]

Chad: Okay. So Prove it, Plan it.

Tracy: Then we go from Plan it to Price it. That's where most people are very surprised. So still, we haven't made anything yet and we're already figuring out the price. It's because price, if you can't get the right price, then it's not a right fit. It makes choices for us in materials, it determines the key design criteria and key product criteria that we're going to go forward with. It also determines for us what we keep and what we don't in the other features. You still have to, while you want to have a valuable feature that makes someone choose you, you still also have to have a competitive product, along the lines, and you have to match what your competitors are doing at their price point. So we look at that and we're really careful about our pricing and we all confirm that this is target pricing. We do that way before we ever....if we're sourcing it in China or something like that, we've never had a manufacturer involved at that point, it's just with our clients.

Chad: Yeah, make sure you have the margins planned and that you make this a win for the company as well as for the customer.

Tracy: Exactly. So then we go from there to really at that stage starting the prototype process. We really look through and we do iterations and we spend a lot of time, so we usually for certain products, we make absolute full-size, we don't do any of this on a computer. We design on the computer but we don't leave that as the output. A lot of people do that and that's where they have a mistake in the process where the tooling's not right or something doesn't fit right, or....it's just a huge problem that a lot of designers never get into the factory, never build anything and so we don't make that mistake. It's happened tons of times in the history of companies we've worked with and we said we're not going to do that with our base of clients.

Chad: How do you...what do you use for the prototyping? You mentioned 3-D printing before and a few different ways of doing that. What's your experience with making this design real?

Tracy: We actually try to work in almost any material that is necessary for that product. So if it's got fabric on it, it's got to be upholstered and we use an upholstery shop. We have built our own sort of resource team there, where we can have pretty much anything. So we can have glass made, we can have plastics made, we can see inside something, we can laser-cut something, we can bend metal. We can do whatever we need there, including paint it so it looks good too.

Chad: This is the superman of prototyping capabilities that can bend steel and do what you need.

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Tracy: You know, people are so worried about the cost of prototyping, but we prototype over in Asia, where our products are being made, so they're using the same equipment. What we also get out of that is actually really a good bill of materials and a really dialed in, like, how much labor does this take and what is the anticipation on that and because we're in control of it and we're not relying on the factory, at this point, we also haven't revealed our invention, if there is something innovative in an invention. You notice also in that four steps we've covered so far, we haven't patented anything yet.

[22:23]

Chad: Oh, I hear another P coming up at some point.

Tracy: Yep. That's the next one, is Protect it. So, it sometimes overlaps into that Prototype process. It might happen halfway through, or part way through. We don't dial in and go for patenting unless we absolutely have to and if we do, we usually do just a provisional. Even so, we probably will file a provisional at that stage, because it gives you just a little more time. With the retail cycles and everything, you want to wait as long as possible before you start revealing things.

Chad: Yeah, because as soon as you do, then someone might copy it.

Tracy: Exactly. So that's our fifth step, is to Protect it. Our 6th step is Predict it. Here's where a lot of startups go wrong. If you don't plan for it to actually exceed your growth expectations, then you can actually go really wrong. An example of that is the coolest cooler on Kickstarter. They killed it out on Kickstarter and sold like 60,000 of them.

Chad: It had a blender on top of it. Who doesn't want this?

Tracy: Right. And I have one downstairs right now, that we just bought. It's not quite warm enough yet to use it, so we haven't actually tried it out yet, but it's sitting down there. So I got mine, but it's...you know. In our world and the way that we work, that would have already been out, it would have been in Costco, it would have been in Target, it would have all happened, but they didn't plan for that level of distribution, so having not right the manufacturer set and having not the choices in engineering services that you need, making all of those mistakes extends your time to market, but it also puts a lot of high risk in it in that a product manager or a retailer is less likely to want to take you on because you don't have as much proof that you've been successful delivering.

Chad: Give us a little more detail about how that actually comes about. Because as you talk about Predict it, I'm thinking in my head this is a forecasting exercise, but it sounds like you're actually... you must have some data behind the typical assumptions, because you're getting to a place where you can be more credible with distributors like Costco what a product would do.

Tracy: Yeah, exactly. What we do is we sort of...we look at it threefold. We look at whether or not the client that we have, so the vendor delivering into a Costco or something, has the capability of delivering at that level, and if not, how can we help give them that proof, give them monopoly opportunities. So in a lot of startups' case we send them straight in to Amazon and we get them fulfilling at a high level there until they're proven that they have a viable product that has a market match, and that they've delivered successfully on time and they have some kind of proof. Or we put them into a distributor who already has proof that they can deliver and so they're going through someone else's distribution process. So

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that's one way to look at it, so depending on the level, but the second part of that is the manufacturer. So we might have two or three sources chosen so that we can second source if necessary but also so that if you end up with, just this is such a great fit and the buyer wants it so badly, that you have a source that you can head straight for that higher level. A lot of times, a lot of retailers nowadays and product managers are choosing to do a test run, so a couple of store tests, so you need another, you might need another manufacturer because your high volume source may not be willing to do two container loads.

[25:44]

Chad: Right. Okay.

Tracy: And then the third part of it is just a forecasting, like how long is this going to last in the market, what is the market thinking, what are other competitive products doing and I am not that numbers person, I rely on somebody else to provide me that and help us with that.

Chad: Sure. And paying attention to the trends that are taking place and how this product might do with regards to those trends.

Tracy: Yeah. And that is all forecasting. Forecasting itself is somewhat of an art, and I wish it weren't. I wish it were a little easier or hard and fast and real math, but it is an art, because there is so much prediction in the process.

Chad: Sure. But some of the steps you have taken, it sounds like for some clients, like doing the fulfillment through Amazon, is a way not only of creating proof for pull through maybe by a Costco or other source, but also a way to establishing those numbers to help you with a real forecast.

Tracy: Yes, it does. It kind of gives you an indication on the trends. That's a little bit of our market proof side, we prove it back in at various stages and we do that is exactly what we would do there. If we have no idea how something is going to turn and we want to run a couple of month test, or a couple of week test and see it. And that's why a lot of retailers do their two- or three-store tests.

Chad: Okay. You mentioned Kickstarter as not being a big fan, but I'm curious, have you helped people in the past, with a product through Kickstarter?

Tracy: Not specifically. We've had them come out to us afterwards with, just absolute horror stories with how it didn't work, and what has happened here? And then I'm like, well, um, I can't really help you now, it's a little too late. You destroyed the brand identity of the product in this process because you failed on Kickstarter. This is really hard for me to get in to how to help you. What we have done, though, is help people price better before they go into it, because that's a mistake you can make, so we've had a few projects where we've done that. And we just said, you've got the wrong reward pricing. If you don't price this right, you're not going to be able to deliver it and that's because we have a lot of numbers of what it costs to put through a container and what things will cube out at and how you have to pack things.

Chad: As a quick example, I don't really know what happened here, but I was a backer of the Lean Startup board game. It was created I think in Israel. I might be wrong about that. But in 90 minutes, you

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learn the Lean Startup methodology by playing the board game, so lots of great fun. But, they ran into an issue at the end. They got it shipped to everyone except all their US backers. They couldn't figure out how to get a storage container over here cost-effectively enough to not lose money on the deal. They finally figured it out, but everything shipped to the US a month after to the rest of the world.

[28:30]

Tracy: Yeah. See that's the kind of thing that we have a lot of resources who've already done this and who've done it successfully, so easier for us to get money, you know, get numbers on that, get the dollars that are associated with that. Just a lot of background. So back to our seven steps, the last step is Product it. So, see, we're not making anything until the very end.

Chad: So the final P is making it real.

Tracy: Yeah. And the key to that for us is that we babysit it. I mean, you can't make things over in Asia and not go there. So many people are private-labeling and all of those things, but you just buying on Alibaba, it's like a phone book to me, so it doesn't tell you whether or not anyone is good, anyone's reliable, anyone cares about your business there. So you have to establish relationships with your potential suppliers. You have to build that in. We like to do that at the designer level rather than leave that completely up to our clients, so that the design integrity is built in throughout the process. I can't tell you how many times it would have been disastrous if we hadn't been on top of it, including products coming to the US completely unusable. It's a protection method that we've put in and it saves time and money for our clients.

Chad: So are you guys racking up the frequent flyer miles, then, to Asia?

Tracy: We have been over the years, although this last year it's been a little slower because we've been doing so much more of 3-D printing, which is more domestic based for us than it has been. But yeah, it's been sometimes where 10 weeks a year we're in China.

Chad: So, there seems to be two big pieces that make what you do work. I just want to run them by you and see if I'm right or not. The first, you have this 7P process. I'm so happy that they were all P's. I was hoping you were going down that path. I don't know why, but I have an affinity for P processes. Prove it, Plan it, Price it, Prototype it, Protect it, Predict it and Produce it. And also, so a process that works and that you've proven many times, but also it sounds like a lot of deep experience and relationships with pulling together all the pieces and expertise, like who do you work with in Asia if you need a prototype made? Who do you work locally with to get something done? I'm sure there was a lot of time involved in building up those relationships and that experience.

Tracy: There have been, I mean we've literally been building this up over 20 years, because that's when we first started in Asia, when we started making those stylus pens for handheld computers. That was our first experience there, and we didn't have Skype, we didn't have all those things, so it was really different back then. We had email, but it wasn't all that reliable, and so that's been....it's just made it so much easier nowadays and for us to have built up our team that we trust. It's taken about 10 years to get it just exactly where we like it and where it works for us. It's just speedy and that's kind of why

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people come to us. It's going to sail through the process and you're not going to hit all these launch landmines that you would hit otherwise.

Chad: Yes. Speedy and reliable are key issues, because I think a lot of people that first get into, and I have very little experience with consumer products, but when we get into this space of wanting to build something physical and the idea of off-shoring that work, there's a lot of hesitation about, you know, am I going to be taken advantage of, are the producers offshore actually going to give me what I want, is someone going to steal the concept, and copy my idea, like the whole hover board problem we had this last Christmas time. And having those trusted relationships in place and being able to predict what is going to happen because of past experiences, is a really valuable capability.

[32:07]

Tracy: That's probably what I, when people ask me questions, and I get a lot of inventors and entrepreneurs taking my time at a conference and just picking my brain on how we do that and how we protect ourselves when we're over there, but I've actually had just as many problems, probably more, using manufacturers in the US. The reason for it is that the clients that we've had that already had these relationships set up in the US, they chose someone that was conveniently located to them, that they thought they could trust, they could drive down the road and look at them and see what they're doing, but sometimes they don't have...and we made this exact mistake back, I mean that's where I learned it first. We made this exact mistake making stylus pens. Our pens exploded, I mean they broke apart, because the manufacturer didn't have the experience in making pens, so the threads weren't right between the barrel and the end of the pen. I find it much better and much more reliable if you choose someone who already has category experience. So we make it a rule, both in engineering as well, because we've had problems with batteries exploding or leaking, actually, because the engineer didn't do their job right in how they designed that sort of electrical set up. So we try to make sure that we make someone that's done this before in this particular category, and then we push them to do the innovative thing that we want to do, but we do it in a hands-on, you know, lead them along kind of way, to getting them to do the innovative thing we want them to do. Because they just want to make exactly what they've made before, and I want to make something innovative and new. So we have to push them a little bit on that, but they grow to trust us and trust our process, because we make them successful over time, then it's a lot easier the second time we come back to them again. It really is critically important to do that, and if you can't do it, we always have a double check system. If we have to let the manufacturer do the engineering of a circuit board, or do the engineering of...we have someone in the US that we hire that has done this or checked that or knows what they're looking for to do it again for us and say, is this working, is this right?

Chad: So the tip is, as much as possible, go with someone who has the category experience and if you can't do that, then you hire someone that can really double check the work and make sure it is meeting the needs you have.

Tracy: Right. That's exactly it.

Chad: Very good. Well, thank you for walking through the 7P process with us. I also asked you to prepare an innovation quote and to share why you chose this one. Give us yours and the background on it.

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Tracy: So my quote is, "Hope is not a plan." And it's one of the things that I don't even know where we heard it first, but Tom and I say it to each other pretty much every day. What we get is, when we talk to inventors' groups and innovators out there and people with products, especially hard products, it's very common there, is that they're stuck in a state of permanent potential. They just really have a great idea and they hope people are going to buy it and they hope people like it and their family says it's really great, so they think it's going to be good, and they're hoping for success. Sometimes that hope is \$100,000 of tooling later and they didn't have a whole plan for it and now they've got a product, maybe it works, maybe it doesn't, and they have no money left to market it. So you have to look at it as a whole plan and that's what we do, we say "hope is not a plan", you plan for the successful launch of a product.

[35:35]

Chad: Absolutely. I know this quote gets used a lot. I don't know who to originate it to, but it's an important one for everyone to know and it reminds me of some Shark Tank episodes. You're probably a fan, too. I love watching Shark Tank, and occasionally there's the inventor that comes in that really hasn't started the business yet, they have this beautiful product and they're asked, well, how much have you spent on this so far? And sometimes they are really big numbers, like \$3 million, and they have no validation done to know if there is someone in the world that wants to buy this for the price they plan to sell it at.

Tracy: It's crazy and that really scares me. And the other one that bothers me are the ones that say, oh well, the market is this big and if we get only 1% of that...and I want to go, where's your proof? Prove to me that you can get 1% return.

Chad: A plan is much better and we all have, thanks to you, a seven-step process to help us with planning. This is good. What do you want to leave listeners with, and how can they find out about the work that you're doing?

Tracy: So, thank you for asking that. I am an Ink columnist, so I write a column called By Design and my focus is on innovation by design, success by design. You can find me at ink.com there and I'll give you a direct link to the column, which you can put in your show notes if you would like. Also, you can find me on Hazz Design, www.hassdesign.com. I think, you know, what I want you to come away with is that, you know, the product world is so exciting right now with all these things coming in like 3-D printing, I think the base of retail is going to change and we are opening up the possibilities to young, new companies coming in, new product ideas, personalized products coming up, and all of that is so exciting. But as product managers and as people who have to manage the process of products going into the market, we all have to really think carefully about how that happens and make sure that we're protecting the consumers on one side and also, really doing what's best to grow our market, because our market is not just shopping the way they used to shop. We have to really think carefully about how we can balance those two things.

Chad: Excellent for us to think about for sure, that there are those two sides of the equation. I will certainly share in the show notes, the links to your By Design column in Ink as well as your website, hazzdesign.com.

Tracy: Thank you so much.

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Chad: I really appreciate your time, Tracy. Thank you for sharing the seven steps again, and sharing your experience with us.

Tracy: It's been a pleasure.

Chad: Thank you for listening and sharing this podcast with other product and innovation professionals. Find the summary and transcript for the discussion at www.TheEverydayInnovator.com/072. Keep innovating!