

HOW MUCH PRODUCT RESEARCH SHOULD YOU DO?

Entrepreneurs discuss what goes into expanding their offerings



Kris Hans, strategist at Market Grade (marketgrade.com), says you can never do too much research. "The more info you can gather about the potential demand for your new product, about your competitors and your prospective customers' wants and needs, the more likely your chances for success."

PHOTO BY PAUL MCGRATH

"One of the things that we try not to do is get caught up in researching new products, because our market should drive the need for a product, not our research department. However, once clients and prospects have established the need for a new product, we do go into research mode. We would see whether the product is currently available, and whether we can differentiate ourselves enough to add value ... After that, our research would focus solely on what goes into the product itself."

Merri Lemmex, managing partner of operations at Lemmex Williams Training Inc., lemmexwilliams.com

"First and foremost, you should spend most of your time researching product-market fit before developing a new product. Once that is established, you can spend more time on innovating your new product. You could also leverage the Scientific Research & Experimental Development (SR&ED) tax credit to offset your ongoing research and development efforts."

Jeff Christie, partner at Boast Capital, boastcapital.com

"I don't think there is ever such a thing as too much research. Rushing and missing important information can kill a dream fast. As we've been researching the best ways to build our app and the investors we want in it, we know we can never be too careful ... We need to understand the problem we are trying to solve and work backwards. We relentlessly keep our end-user in mind, and keep testing the market until we see positive uptake."

Julia Cordray, co-founder of People App, forthepeople.com

"Taking your product to market before it's well-developed, or waiting until you've perfected it, can both be detrimental. Too early and it may miss the market's expectations. Too late and someone else could beat you to market. You've got to prioritize the critical elements and work on those ... Build your product development plan and manage it. Anticipate where things could go wrong and have backup plans. There is always a cost/benefit to conducting research; just pay attention to when costs start to exceed the benefits."

Nevine Booth, president of OnPoint Research Group Inc.



"We did enough research to make sure other people had the same problem we had, that people and businesses were willing to pay us for the solution, and to see what the competitive environment was like. Once we finished our SWOT analysis, we knew there was a large target group with the same problem and the market was eager to use our product. This, coupled with little competition, told us not to suffer from paralysis by analysis; we moved very quickly after finishing our research, knowing failure is not fatal, and that we could make corrections to our business model as we went along."

Jo-Anne Reynolds, co-founder and CEO of SpikeBee, spikebee.com



"Investigate the current supply and demand, and be able to clearly define the marketing mix. Is there a need for your product or service? It's a great experience to conceive an idea and become enthralled with it, but always make sure to get honest and constructive feedback from your peers, existing clients and potential investors before committing too much time and resources to it ... Avoid assumptions, don't take criticism personally and let the data be your guide!"

Elka Dunnette, technical marketing evangelist at Metrik Intelligence, metrikmarketing.com



"When your clients are asking for a product and you develop it based on their suggestions, not a lot of research needs to be done. Just a little to make sure you have what your clients were asking for. When you're starting from scratch, however, research is your best friend! It not only helps you develop the product, but also helps you find the language to get your message across to the people you are developing it for."

Ave Peetri, confident marketing coach at Coaching by Ave Peetri Inc., confidentmarketing.com



"Our product research comes from customer feedback of our consulting services, then we create a product concept. The concept is pre-sold as the major source of product research. Because it is a concept, we can take feedback, tweak and adjust the product during the pre-sale cycle. Once there is enough interest to fund the development and make it viable, then we proceed ... This lowers the risks to businesses and lenders."

Nancy Seeger, CEO of Seeger Consulting Inc., seegerconsultinginc.com



"Initial research will point you in the right direction and indicate what to focus on with your product so it addresses the needs of a finely targeted segment of that market. Deeper into the product development process, prototyping and testing your products with your potential customers is the best way to fine-tune your product to ensure that your customers are getting the value that you are creating. How much research you should do is quantified by what you are developing, who you are creating it for and when you want to release it. Research doesn't stop once you launch the product though; it's an ongoing process."

Bruno Steppuhn, operations director at Solid Site Inc., asolidsite.com



"As much research as it takes to know your target customer inside and out, and to know what it takes and costs to deliver the goods to them. So the first question for product research is who is my target customer? How can this product serve them? What are they willing to pay? Then, think about who else makes this product and what it costs. How does your product compare? Who is going to make it for you? What are the distribution channels? Check in along the way to see if the big picture justifies the details and the numbers."

Melanie Love, CEO and founder of Front Room, morefrontroom.com



"As a representative for the largest applied research institute in Canada, obviously the answer is that there is never too much research or too much knowledge you can have when developing new products or going into new markets. However, there does need to be some capacity to take a risk and launch something after you've done as much homework as possible. There has to be the ability to fail every once in a while; just turn it into a learning moment and move forward. Innovation requires the odd setback."

Bruce Leslie, executive director of Conference Board of Canada, conferenceboard.ca



"Before we developed the TLink GPS Golf Watch, we spent the first two months testing the golf market. This included researching competitors and current golf trends. More importantly, we wanted to get our product in front of golfers to get their feedback and thoughts ... We created a very simple and bare prototype that would show how our product would work, and gave it to our test group. This approach gave us the necessary feedback and validation that we needed to take our product to market without breaking the bank and wasting time developing something our users wouldn't want."

Stefan Radeta, co-founder and CTO of TLink Golf, golfmlink.com



ATB Business™

These answers are in response to a question posed by *Wellington Holbrook*, executive vice-president of ATB Business. Here's his take:

"How much research? That's a very tricky question because the truth is, it depends. The textbook answer is that you should understand the customer well, their demographics, their behaviours, their wants, etc. Some of this information is available through various sources, but much you will need to create through your own data-gathering. From there, a product might be born. Practically speaking, there is more to this equation. I have come to know literally thousands of business owners over the years, and many of the most successful mix the research with their gut and use their instincts to know when to press go on a new product."

CAPITAL IDEAS

UPCOMING

MAR. 26:
INNOVATING FOR PRODUCTIVITY
A workshop to help you measure your company's skills and capacity for innovation
■ When: 8 a.m. to noon
■ Where: ATB Financial Campus (3699 63rd Ave. N.E.)
■ Admission: \$199 until March 12; \$249 after.
Register at goproductivity.ca/events

APR. 16:
ICONS OF ALBERTA AND AWE CELEBRATION OF ACHIEVEMENT
A full-day leadership conference, followed by an awards ceremony paying tribute to Nicole Bourque-Bouchier
■ When: 8:30 a.m. to 4:15 p.m. and 5:30 p.m. to 9 p.m.
■ Where: Hotel Arts (119 12th Ave. SW)
■ Admission: Varies. Register at aweinspiringentrepreneurs.com

For more great events, visit capitalideascalgary.com/calgaryevents.

COMMUNITY QUESTION

What's the most effective way for an entrepreneur to find a mentor?

[A100]

The more you know, the more likely you are to succeed. That's what motivates the people behind AccelerateAB, the annual celebration of technology start-ups in Alberta. Capital Ideas is motivated by that, too, which is why we invited The A100, which co-produces the conference, to ask this week's question:

What's the most effective way for an entrepreneur to find a mentor?

You can answer the question in two ways: Open today's Capital Ideas email if you're a member or visit capitalideascalgary.com.

We'll publish the best answers, along with your business name and website address, on March 19.

AccelerateAB, produced by the A100, the C100 and local community partners, brings together 450+ of the most innovative entrepreneurs and leaders from across the province and Silicon Valley. It takes place in Calgary on April 29. For details and to sign up, visit accelerateab.com.

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