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Do Your New Products Sell Like Hockey Sticks?

Have you heard the term "hockey stick sales" before? This is when there are relatively few sales right after launch, but a few weeks or months later, sales increase significantly. (The blade of the hockey stick represents a graph of the flat sales period; the handle represents the rise.)

The blade is often avoidable, but not always. If your company's products must get "spec'd-in" to a customer's final assembly, flat initial sales may be expected as the customer assimilates the product into theirs. This is often the case in the automotive, aerospace, semiconductor, and other heavily tiered industries. Only when the customer's model is released do your pull-through sales start rising up the handle. Flat sales may also be expected in municipal, government, and capital-intensive industries awaiting the next fiscal year budget or capital approval cycle. When the next year's plan is approved, your sales begin.

Blades are also expected when products are new-to-the-world or too innovative for their value to be immediately recognized. It takes a while for the market to warm up to your offering and, hence, sales are flat. Geoffrey Moore's 1991 book, *Crossing the Chasm*, addressed this "chasm" of no sales while the market assessed a new product's value equation.

The most difficult situation to fix is when a company has a poor reputation for new products. It is often described as, "Company X always releases products prematurely and they are unreliable. Wait a year until they get the bugs out and then buy it." Causes for this reputation include aggressive sales organization pull, management-imposed launch dates, and poor product testing. All these scenarios require systematic fixes and often culture changes as well.

Another hard situation to fix is actually caused by product development. Product-development teams are usually late to market. Sales has learned this and adjusts accordingly. They don't get customers excited early because they know they might have to ask them to wait on a delay. So sales waits until they have the product in their hands.

More often than not, simple tweaks to the product-development process (PDP) will transform it into a "product commercialization process." Many PDPs are designed to optimize development, not commercialization. So new products get thrown over the wall to sales.

Developing pieces for trade publications and advertising, sales-force training, scheduling customer visits, customer assimilation time, and other launch necessities all take time. True product commercialization processes overlap many of these activities with testing and ramp-up activities that precede launch.

Take a look at your PDPs after the design phase. What are the earliest points that business development, marketing, sales, and technical publications can engage? Can these points be pushed earlier or engagement intensity increased? Where do customers first engage? Are customers able to be engaged earlier even if they can't place orders yet?

Moreover, can customers get first dibs on products even if an exact price and or delivery time cannot yet be forecast? Are there distinct Alpha and Beta phases during ramp-up, or equivalent clear points where developers and promoters can agree that customers check out the product without too much risk?

Thinking agile, are there tasks that are usually all done at the end of development that could be broken down into batches that start earlier? We have at least a decade of experience using this approach in development. Let's take this thinking and apply it to commercialization.

Hockey-stick sales reduce developer satisfaction as market acceptance is delayed. They also slow down company sales and profits while giving customers pause for thought as they wait for others to take the plunge. The best business hockey stick has no blade, only a handle. md

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