

>playthings



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Innovation and the Wow Factor

INNOVATION IS THE LIFEblood OF THE TOY AND GIFT INDUSTRY. Most of us believe this and yet, we see so little of it. Why? Perhaps it's because true innovation is hard work and full of risk. When you innovate, you are not doing something that is proven—you are out on a limb.

SOMETHING IS INNOVATIVE WHEN WE CAN SAY, "WOW! I'VE NEVER SEEN THAT BEFORE!" But even within this statement, there are different levels of innovation:

- In its **lowest form**, this is actually **imitation**. We actually might say: "I've never seen us do something like that before." This type of logic results in an industry full of "me-too" products.
- **Most often**, it is something that has **aspects of newness** to it. We might say, "I've never seen that done in quite the same way before." This type of innovation is a new execution, a new twist or a new application of a proven idea. Oftentimes, this level of innovation is enough to get some traction in the marketplace, but it's not so breakthrough that it truly wows.
- At the **highest level**, it is **new-to-the-world** innovation — the most difficult type of innovation to achieve. The statement means: "I've never seen anything like that anywhere!" Because it is so difficult to achieve, most of us stop somewhere short of that. And yet, it is the most gratifying aspect of our work.

With true innovation, everything about launching an original initiative seems exponentially more complex and challenging than normal, simply because it defies precedent. There are no pat rules to follow, no well-worn paths to walk.

On top of this, there is no guarantee that when all is said and done, the innovation will really work. The obstacle to true innovation are many and the risk of failure is real. But that does not mean that they are insurmountable.

WHAT ARE THE OBSTACLES?

Obstacles To True Innovation

- **NOT ENOUGH TIME** to spend in pure brainstorming creative mode, because you have to spend so much time executing.
- **NOT ENOUGH DARING** and/or commitment to roll the dice on something that could fail just as easily as it could succeed.
- **NOT ENOUGH FINANCIAL STABILITY** to absorb the write-off if the initiative fails.
- **NOT ENOUGH LEAD TIME** in the schedule to develop a crazy, off-the-wall idea into something commercially viable.
- **NOT ENOUGH COMPANY COMMITMENT** to push through the multitude of obstacles that will inevitably get in the way — including a conservative buyer.

One way to get around these obstacles is to focus your effort on a rather narrow front — i.e. contain the effort and contain the risk.

Specifically, don't try to swing for the fences in every situation. Rather, in your product plan, identify one slot that is your "break-frame" slot. But this is not the only way; there are other things to consider:

Overcoming the Obstacles

- **DON'T ASSUME A BIG SALES NUMBER** in your financial plan for the break-frame slot; consider making it incremental, if possible. Prom-

ise low and over-deliver to keep the risk at a manageable level.

- **START WORKING ON THE BREAK-FRAME SLOT** early, concurrent with the schedule for the preceding season. For example, if it is a fall intro, start work on it concurrent with the spring line.

- **QUANTITY BEGETS QUALITY**: Make sure you generate plenty of strong ideas early on to give yourself the luxury of choosing the very best of the bunch ... a funnel approach. Use inventor groups and outside creative talent and send the signal that you are willing to break out and take risks (Funosophy has a list of the top inventor groups available upon request).

- **GET CONSUMER VALIDATION** along the way so you maintain the strength of your convictions when you present your line to management, sales and the trade.

The key to innovating is to acknowledge that success is not guaranteed because your initiative, by definition, is not proven. Start small and develop the ability — and intestinal fortitude — to innovate in larger ways over time. To quote a favorite bumper sticker: *If you're not living on the edge, you're taking up too much space!*

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