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The Four Types of Clients Outsourcing Firms Try to Avoid.



Contract design and engineering firms serve a wide range of clients - inventors, start-ups, and corporations. They need good methods for qualifying prospects.

Before the job starts it's almost impossible to know what to expect, but a short consultation can reveal plenty. If you ask the right questions, you can learn to recognize the questionable prospects who may easily become troublesome clients.

Prospects exhibit distinct characteristics.

The engineering resources of experienced corporate prospects are either entangled in production crises, too busy to accept additional projects, or don't have the capability to work on new products. If the proposed job sounds like a good fit, we customarily schedule an introductory meeting before insisting on too many specifics. Calls from prospects who are less familiar with the development process require more caution. For these entrepreneurs and start-up types, we more thoroughly review project details and overall preparation before committing to a lengthy meeting with our technical people.

During our fact-finding interviews we discuss topics like timing, funding levels, engineering challenges, and overall goals. Clear reasons for declining work are lack of funding, inadequate preparation, scheduling conflicts, or if our services simply don't fit their needs. We may offer plenty of free advice, but for more than half of the prospects who come to us, our recommendation is to revise (or reconsider) their course of action.

There are four less obvious types of prospects who consistently exhibit the potential to become problem customers.

The Opportunist

This person wants to achieve the product development version of winning the lottery: to generate money with minimum effort and expense. Few product ideas succeed, practically an inconceivable concept when a prospect regards product development as simple, inexpensive, and uncomplicated.

The *Opportunist* usually makes statements like, "We've put together a prototype and are ninety percent done. You only need to tweak our design." When we hear this there is a good chance our prospect recently encountered an impassable technical problem, or is simply uninformed and doesn't fully comprehend the scope of the challenge. More often than not, these customers have their percentages mixed up. They have ninety percent to go.

It takes diligence from skilled and experienced people from the onset to successfully bring a product idea to market. Many factors affect outcomes: the ability to solve technical challenges early in the process, market timing, customer acceptance, appropriate manufacturing partners, and avoiding patent infringement, to name a few. Product development is not easy. Even when things go right, great products sometimes fail. That is the simple truth.

The Alchemist

This customer wants to hire us to attempt the impossible (or implausible), and the challenges they propose are either boldly impractical or based on unproven technology. This type of problem customer can be tenacious, especially when bordering on being an *Opportunist*.

Formerly we pushed to unmask their unproven assumptions, but quickly realized



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we were probably not the first technical team to confirm their ideas were not backed by scientific data. These are consistently unfulfilling projects for both parties. When we determine there is an *Alchemist* on the phone, we assert that our resources are not a good fit with their needs, and wish them well.

There exist legitimate customers, difficult to distinguish from the *Alchemist*, who aspire to develop unique and viable new technologies. If a prospect has good references, is well informed, and presents a compelling proposition, we will schedule a conference call with our technical people who afterward decide if a feasibility phase is warranted. In these cases, the next course of events may be R&D, bench-top experiments, simulations, and a reservation of judgment until we know more.

The Dreamer

This customer believes a prototype is their final hurdle to success. As a rule, they have been rebuffed by a potential distributor, or an investor who was unimpressed by their unrefined concepts and models.

The *Dreamer* doesn't appreciate their pursuit will not be realized with a widget or appearance model: even a well-engineered prototype is a single component of a complex enterprise. Physical models can establish credibility and stimulate investor dialog, but the conversation will be short without sound business marketing, customer research, and sales projections in place. We tell *Dreamers* to invest in a business plan before allocating funds for prototypes and physical models.

The Ideologist

Some potential clients are convinced that following a standardized system will lead to success. It may be true for a weight loss program, but it is an unsupportable plan of action for new product development. A practice characterized by predictive Gantt Charts,

labor schedules and timed cost projections does not allow for creative solutions or unscheduled obstacles.

Contract design and engineering firms do their best to make linear progress, while managing an inherently dynamic process.

The challenge of product development is to achieve a successful outcome while balancing the influence of variables known and unknown. It is accomplished with time and materials estimates, phased development, project milestones and flexible priorities - all of which allow for timely response to unexpected opportunities. When we are asked to include forecasting in our proposal, we tell the *Ideologist* we can only reliably chart cost and labor projections after the project is finished.

The Perfect Client

There are few trouble-free customers, and it is not good business to categorically disregard the presumed disquieting types we've discussed. If contract developers waited for "perfect clients", it would be difficult to support a company with zero or one job per year. As with any endeavor, flexibility is the best course of action.

There is a good possibility the customers described above can respond to coaching and guidance, especially if they believe the firm they're considering has their best interests in mind, and is a competent team of problem-solvers. It's our job to facilitate their journey, educate, instill trust, and promote a plan for success.

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