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The Right Launch Strategy

Congratulations. You think you have a great business idea; now it's time to vet the concept with others. This is when things get tricky. How much of the "secret sauce" should you share publicly? Later you may wonder, how finished should the product be before launching? Is it best to release early and update often with user feedback, or to stay stealthy until the product is ready for prime time? Although there isn't one right answer, understanding the approach others have taken can help. At a recent Northwest Entrepreneur Network meeting two industry veterans, T.A. McCann, founder and CEO of Gist, and Damon Cortesi, founder of Untitled Start-Up, explained the thinking behind their recent business launches.

The Case for "Developing" in PowerPoint

T.A. McCann admits that his views are clearly biased toward talking early and often. When starting Gist he says, "We coded the first product in PowerPoint." Humor aside, McCann believes in opening up broadly and quickly through strategic interviews that provide a forum for asking questions. Walking through a PowerPoint prototype of the business and product concept provides a venue for an interactive show and tell. Sprinkling in questions can drive key decisions. For example, asking if the product did X would you buy it? Or, if it did Y would you pay more? And, how does it compare to what you currently do? The answers can lead to a deeper understanding of market needs and wants. Even if a presentation isn't going well, there's opportunity to learn by finding out why someone isn't interested. Asking for introductions to others who may also have strong feelings one way or the other is also advised.

Early discussions can help to create a buyer profile which can be further refined during beta. For example, McCann used a closed beta for Gist that worked more like a market research study. Participation in the beta required completing a long questionnaire. The

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lengthy process proved participant interest and furthered their investment in the product, while providing critical knowledge to the development team. Damon Cortesi also used an open feedback approach in their online launch of TweetStats. The team used a development platform that made making changes to the product fast and easy. They put a version of the product out to the market in one weekend, even though they knew the idea wasn't perfect. The early launch enabled the company to get insightful user feedback which was used to rapidly refine the offering to better meet user needs.

Although early discussions can lead to some risk of exposing intellectual property to potential competitive theft, for many the risk tradeoff is minor. The reality is that most people that you share your idea with won't have the passion, or take the initiative to start a competing company. An even more important consideration is this: most good advisors are really only one step away from a conflict of interest. So these tend to be the people you need to talk to anyway.

Products: Feature Rich vs. Less More Often

Once a decision to launch is made another hurdle is deciding how finished the product should be before shipping. Although this issue is complicated, two important considerations are the role of pricing, and the window of market opportunity available.

For example, competitive markets are fierce, and windows of opportunity rapidly close. Getting out of the gate with the first-of-a-kind product, although imperfect, can provide a huge market edge. Not to mention the advantages of critical market buzz. Yet it takes guts to release an imperfect product, especially when you know you could do better with just a bit more time. This issue is compounded by the price charged for the product or service. It stands to reason that if clients are paying a premium, more finished features may be expected. However, even without paying a high cost, clients can become frustrated with a less complete product that is updated and released more often.

Regardless of the release direction chosen, one of the most critical issues to consider is client communication. Your release strategy reflects your corporate vision, so it's important that clients are clear about your vision on the front end. Communicate whether or not your company has been built for agility and speed, or designed to release slower, but more complete offerings. With either approach it's natural to expect that some clients will be frustrated, so it's important to be attentive. Understanding their issues and being highly communicative will enable you to keep more clients happy during the release process.

Not surprisingly, each of the early launch decisions an entrepreneur makes will end up defining the type of company that is

created. How the product is sold and the type of buyers it attracts will change with every decision. These choices will also make your company unique compared to the competition. Remember, just as ideas evolve, buyers evolve too. Their feedback is important, but it's only representative of one moment in time.

These "Executive Insights" are based on monthly presentations provided by leading entrepreneurs at the Northwest Entrepreneur Network (NWEN.org), a non-profit organization dedicated to helping entrepreneurs succeed. The column is written by Cheryl Isen, founder of Isen & Company, a strategic marketing

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