

Don't be a nerd by following the herd

"At a time when most window and door systems are similar, how can over 14,000 fabricators and installers stand out from their competitors?" **Andrew Scott**, Managing Director of Purplex Consulting, asks whether it's time to focus on innovation.

We've seen markets littered with inventions that go nowhere. Think of the Sinclair C5 electric car. Innovation, on the other hand, is often a process of taking an existing product, service or format and transforming it in a way that dramatically improves its performance, functionality or user appeal.

In the window industry, we have seen little in the way of innovation in recent years, with many asking "what is the next big thing?" But perhaps the next big thing doesn't need to be a complete reinvention.

The compact disc (CD) changed the way we listen to music, but it did not re-invent music – simply the format and quality. MP3 did the same thing – MP3 players created a more user friendly, easier and more convenient way of enjoying music.

Now enter Apple Corporation; the company synonymous with innovation. They did not invent MP3 or MP3 players, yet combining their iPod (MP3) player with their own web-based software (iTunes) they transformed the market, resulting in 73% market share and 220 million units sold.

Building on that success, they turned to the mobile phone industry, already saturated with products and suppliers fighting for a market where almost all consumers already owned a phone. Yet, building on brand loyalty and by innovating an existing proven product (the smart phone) they launched the iPhone, which has sold 41 million units in two years.

Now established a worldwide market leader, Apple has not stood still. The iPad combines



The temptation is always to see safely in numbers and follow the crowd but this can lead to lack of innovation that is crucial to business success.

the already proven net-book computer and iPhone format. One million units sold in the first month and a projected revenue of \$4 billion in the first year ably demonstrate how Apple's commitment to - and investment in - innovation has paid off.

WINDOWS OF OPPORTUNITY

The window industry complains of reducing volumes and tighter margins. We don't have the budget or resources for research and development. Fair points, I agree, but what happens to any industry that just stands still?

We desperately need innovation. We need to get consumers excited about windows and doors again and we need salespeople to be enthusiastic and passionate about the products they sell. Recent changes to the Building Regulations may mean higher specification, more energy efficient products from 1st October, but this isn't innovation. It is simply legislation.

Inventing a completely new product is high risk and high cost. Rethinking an existing proven product – innovating rather than inventing – means earlier adoption by customers, better margins and faster return on investment.

MARKET LEADERS INNOVATE, FOLLOWERS IMITATE

Look at any market leader and you will see a pioneering company; a company that continuously innovates. Mercedes Benz, Microsoft, Tesco – it doesn't matter who the company is, they continue to innovate. This is their culture and this is why they remain market leaders.

Smaller competitors often try to replicate the success of a market leader by launching rival products. But imitating a market leader is not a long term strategy – by the time a competitor has done this, the market leader will have already launched the next version – the iPod being a good example.

Imitation may well be the sincerest form of flattery, but customers want to do business with market leaders – they are the pioneers, at the forefront of their industries. They are the companies investing in R & D, pushing the boundaries and creating opportunities. The market leaders of the future are the companies who invest in innovation today.

INNOVATE THE PROCESS, NOT JUST THE PRODUCT

Apple's phenomenal success isn't all down to the products. Their online portal, iTunes, has already had 100 billion music downloads while the App store has had 3 billion downloads. Apple haven't just innovated the product, they have innovated the way people connect with their company.

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Innovating the way you do business can be just as effective as innovating the products you sell. McDonald's worldwide success was not the result of fantastic hamburgers, it was the way they did business. They took an existing format (restaurants), existing products (burgers) and created a fast-food chain where the food was already cooked before you ordered. As others caught up, they innovated their business model again – pioneering franchising across the US and then out to the whole world.



Back in the 1980's, some thought the Sinclair C5 really was going to take off in the city as a novel invention but it proved hopelessly impractical, let alone dangerous for the user.

How would you describe your business today? A PVC-U systems company? A window and door fabricator? An installer? Re-thinking how you see your own business can be the start of the innovation process. Charles Dunstone of Carphone Warehouse fame once said his company was in the fashion business, not the mobile phone business. Perhaps that's why his once humble home-business is a £multi-billion empire today.

Your sales and production processes are a good place to start innovating. If it takes 2 hours to make a window, why should it take 2 weeks to process the order and deliver it? What could you change in your systems and procedures that will cut lead-times not just by 10%, but by 50%?

INNOVATE YOUR MARKETING

When was the last time you changed your marketing format? As consumers we are now faced with some 3,000 marketing messages every day – it's information overload. So reaching your target customer is getting harder than ever – while customers are getting fussier and more selective.

Customer intelligence – knowing who are your existing and potential customers, where they are and what are their preferences is now an essential part of every marketing strategy. This enables segmentation and helps marketers develop innovative marketing strategies for each target customer type. Never forget the basic rule; people do business with people. Companies do not do business with companies.

Social media platforms, such as Facebook and Twitter are revolutionising the way people communicate and, with over 400 million Facebook users and 50 million tweets on Twitter every day, companies can no longer afford to ignore these marketing channels.

White-label, reseller and joint marketing are now seen as essential marketing tools by many companies, whether it's a supermarket reselling insurance services or competitors working together for a bigger goal – such as BT and Sky. Are there similar opportunities in the window industry? Could a window or conservatory retailer, for example, team up with a kitchen retailer and work together for better returns?

Whether it's products, processes or your marketing strategy – innovation can create energy in a business that inspires your people, attracts new customers and builds loyalty with existing customers. It can turn small companies into market leaders, transform sales and profit margins and even create new market sectors.

Product changes driven by legislation are simply not enough. Now, more than ever, the window industry needs innovation.