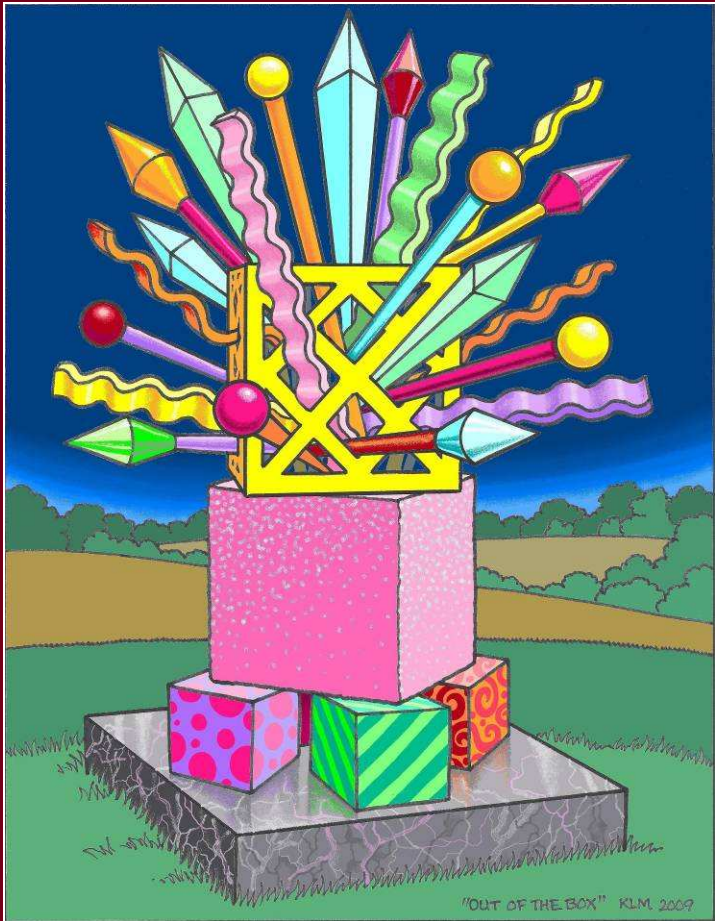


# CONCRETE INNOVATION

Converting Strategic Intent to Tactical Advantage  
in the "New Normal"



Christopher W. Miller, Ph.D., NPDP  
Gary C. Graziano, AIA



INNOVATION

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F O C U S <sup>®</sup>

# **Concrete Innovation**

Converting Strategic Intent to Tactical Advantage  
In the “New Normal”

Christopher W. Miller, Ph.D., NPDP  
Gary C. Graziano, AIA

Cover Art by  
Kevin L. Miller

Edited by  
Noah P. Miller, M.A.

Innovation Focus Inc.

# DEDICATION

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We would like to thank the Pennsylvania Business2Business Magazine's Ted Byrne, Steve Schulz, and its staff for their years of support and advice without which these ideas would not exist in print. We would also like to thank Pennsylvania Business2Business Magazine for allowing us to use their art work associated with each of the articles.

We must mention our colleagues at High Concrete Group LLC and Innovation Focus Inc. for supporting this intellectual pursuit while we were working on our day jobs. The ideas we are describing are also the ones we have tried, failed, revised and tried again in our respective organizations. Without the talented and fertile minds of the teams we work with everyday we would not have had the real world laboratory necessary to prove the Concrete Innovation concept.

Finally, and as always, we thank our family and friends for their willingness to put up with weekend e-mail exchanges and writing on vacations.

# CONTENTS

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<b>Dedication</b>	ii
<b>Forward</b>	iv
<b>About the Collaboration</b>	vi
<b>Ignite Innovational Buzz:</b> How to Focus upon Problems Worth Solving	7
<b>Creativity is a Practice Not a Talent:</b> Here are Tactics to Ignite Profitable New Hot Spots	16
<b>Create Superior Value:</b> 3D Strategies for Successfully Charging More than Your Competitors	21
<b>The First Dimension:</b> Finding a Unique and Valued Market Position	27
<b>The Second Dimension:</b> Tactics to Achieve and Sustain Profitable Growth	33
<b>The Third Dimension:</b> Operations and Organization: Organize to Execute: Hoping you can Make Things Work is not an Operating Strategy	39
<b>Conclusion</b>	45
<b>Related Literature</b>	47
<b>Biographies:</b> Gary C. Graziano and High Concrete	49
Christopher W. Miller and Innovation Focus	51
Kevin Miller and the art	53
Noah Miller	56

# FORWARD

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The Great Recession of 2008-10 is nearing its bottom as we put this book together, providing us with a rare opportunity to review, rethink, and reinvent our innovation strategy in anticipation of a fundamental and sustained shift in the economic climate. Asking “What is the purpose of your innovation strategy?” is very difficult to do – even if you know it must be done – when you are fully focused on riding a bull market without falling off. During this down time in the pen, however, we can search our souls and ask what we could have done, and indeed, how we will think and act differently the next time we get into the ring.

What we know about the “new normal” reality is limited but clear – here is just a sample:

- Manufactured product represents just 18% of our US economy; is shrinking; and is likely to have a slower than average recovery.
- Healthcare represents 17% of our economy; has continued to expand through the recession; and is likely to continue to grow at its pre-recession rate.
- The American population is aging as a whole; has lowered its expectations about retirement; and appears to have come to terms with staying on the job. Interestingly the longer we work, the happier and healthier we will be (AARP).
- Goods, on the whole, have become carriers for service delivery.
- Knowledge is king; the king is expected to serve all the people, all the time, right now, and for free.
- The Chinese are investing an astonishing amount of effort and resources in innovation. Their production of

skilled engineers dwarfs anything the US can hope to achieve. China is the world's largest English speaking country.

How you respond to these and other facts and challenges is a choice. We have to admit it is tempting to dig a hole, jump in and pull a rock over our heads. Many will react to the potentially difficult challenges, new business, and personal futures imposed by The Great Recession by retreating to the seeming safe haven of the good old days and more of what worked well for them in the past. This book suggests an alternative and conservative approach to the future – one that will likely demand that business be more attractive, and that business and individuals be more environmentally and economically sustainable.

- Attractive: We must all be more attractive to our customers but stockholders will likely be seeing value on a deeper level as well. We will have to fight for the minds and hearts of our customers, employees, and stockholders.
- Sustainable: Stockholders will become long-term greedy. Employees will be looking to work longer and will seek employers who make this possible. Clearly we have to share the planet; and our product and policy must reflect this.

Concrete Innovation is a small effort to ask you to step back and think – now. The book starts with your personal and organizational attitude toward looking at the world differently and acting on what you see. It continues with a four article series that will take you on a journey from strategy to tactics. Make no mistake; the end point must be informed action that effects necessary change. Those who hide in a hole will be buried in the “new normal” that is upon us.

# ABOUT THE COLLABORATION

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In the early 1990s, Innovation Focus did projects with both Armstrong World Industries, Inc. and High Concrete Structures, Inc. (now High Concrete Group LLC). This early work led to a long list of product and service innovations and enduring relationships for both organizations. Chris led both projects for Innovation Focus and Gary, a key player on the Armstrong team, referred Innovation Focus to High Concrete's parent company, High Industries, Inc.

Gary joined High Industries in 2000 after excursions in publishing and dot-com start-ups before moving to High Concrete Group LLC in 2004. Soon after joining High Industries, Chris and Gary reignited their innovation partnership, this time through a series of articles based on real experiences with hundreds of projects in scores of companies across many industries.

We believe in concrete innovation, the kind that develops ideas you can eat. We are practiced in our approach. Throughout our collaboration we have had to make a living with the ideas we are presenting. They have fed us, are putting our kids through college, and will hopefully serve us for many years to come. That is personal. In business our ideas enjoy a place in buildings where they will last. We have helped to pay stockholders for their investment and keep the people around us employed. These days, adding to a tax paying payroll seems to be a clear and higher good.



**The patented tilt frame transporter for the Mega Tee®, and AltusGroup, Inc. ([www.altusprecast.com](http://www.altusprecast.com)), a concrete product development and marketing consortia are innovative examples of the type of work generated by the Graziano/Miller partnership.**

# IGNITE INNOVATIONAL BUZZ

## How to Focus upon Problems Worth Solving

By Christopher W. Miller, Ph.D. & Gary C. Graziano, AIA



*"Buzz" was published in Pennsylvania's Business2Business magazine in July of 2004. The world of innovation was stuck between Wall Street and Walmart. The drive for rapid return on the innovation dollar was real. The economic "iron was hot" and innovation was used as a hammer to get more out of the business. We are wondering now what we will have learned from these lessons about innovation when the economy heats up again.*

It takes about 6.7 years, on average, for a good idea to get to market and achieve profitability, which means that many ideas take even longer to get there and most ideas take much longer before they evolve into successful, money-making products or services. Even very aggressive firms that have sophisticated new product development (NPD) processes rarely cut this time by more than 45%. In fact, a substantial amount has been written about being too fast in getting an idea to market. It appears that as companies pick up speed, they sacrifice their higher impact, game-changing ideas on the altar of capitalism in exchange for incremental products that they can launch this quarter — or next — to keep the stock price up and the analysts at bay.

***So, if innovation takes so long, what innovation focuses can you use to get the buzz going about problems worth solving?***

And now, your dilemma: you have a really great idea and the responsibility to nurture and build it into a reality. But you also want to grow your firm swiftly or move your way up the career ladder before the rungs snap from those seven years of wear and tear — or before you start scratching at the “seven year itch.” But even if developing your idea takes just seven years, that’s two years longer than most start-ups last, and two years longer than the average managerial tenure. It’s also 20% of a career; a lot longer than most people, organizations, or investors can — or can afford to — focus on any one thing.

Executives all over the country have tested their own development processes to see whether their companies, too, are mired in such lengthy design phases. Burt Kehoe, Vice President of Innovation at Hunt Manufacturing in Philadelphia, took the time to audit his entire product development process. He counted 450 individual steps to get a newly designed X-acto™ knife blade to market. Kathy Rhyne, an NPD director at Hershey Foods Corporation, says that there were over 300 people critical

to the launch of the chocolate Kiss with Almond — and any one of them could have given the Kiss with Almond the kiss of death by stopping the process with a concern about quality or cost.

This is why we call innovation the “organizational bumblebee;” it doesn’t appear to be capable of flight — yet somehow it does fly once the innovation buzz begins to build within an organization.

In a really hot business climate, everyone is far too busy doing the unquestionably successful old stuff that pays the bills and creates paid vacations to pay attention to questionable new stuff that creates bills and unpaid overtime. In short, they’re more than willing to let the urgent business of providing for today overtake the important business of preparing for tomorrow. This is why hot business climates are the equivalent of long, cold winters for our innovation bumblebee.

In the 80’s, a large defense contractor in the greater Baltimore area knew that strategically they no longer needed their world-class team of thousands of engineers and technical support people, because their core business would soon be facing an eternal winter with an empty cellar. The Department of Defense (DOD) had even encouraged them to broaden their market, indicating that defense work would be insufficient in the future to maintain this huge technical resource. Yet the DOD also intimated that the resource was valuable to the future of the DOD because together they had developed such cold war miracles as the Airborne Warning and Control System under the guidance of amazing men like John Staehlin. And, the DOD knew that they could be counted on to develop the next new thing when the next big problem worth solving arose.

In an effort to do the right thing for its employees, the DOD and the country, the company began looking at technologies that could be moved from the defense industry into the fertile fields of general commerce. They asked, “what if the satellite based system designed for the deployment of tanks could also

be used to move buses more effectively around Baltimore or any other city?" And, "what if the sensor systems designed to feed concurrent intelligence into a fighter aircraft could be used by a state trooper to get information on someone they just pulled over on a dark and deserted highway?" Or, "what if the ability to measure small differences in temperature below ground from a height of 60,000 feet was useful in measuring patient temperatures in a hospital without waking them up?"

The answers to each of these "what if" questions were undeniably positive. In theory, defense technology could be redeployed to resolve problems that both the company and its prospective customers agreed were worth solving. And then, just as the innovation bumblebee was about to take flight, along came another flyer, a helicopter contract from the DOD. And in less time than it takes a bee to sting, the garden of human and financial resources that provides the sweet nectar of innovation was harvested for a feast.

At this defense contractor, the process of natural selection in which mature ideas prevail over new ideas played itself out just as it does every day at corporations all over the world. Yet even this bare, untended garden eventually bore fruit. John Staehlin stored the seed of the idea of moving defense technology to other uses, keeping it safe and dry until the conditions were right for planting in new soil. He then founded Volunteers for Medical Engineering (VME), which was soon named one of George Bush, Sr.'s 1000 Points of Light. Today, VME uses hundreds of primarily retired, volunteer "rocket scientists" to solve specialty medical problems that do not currently appear commercially viable.

*So, if innovation takes so long, what innovation focuses can you use to get the buzz going about problems worth solving?*

First, you have to move fast to gain and share knowledge — because knowledge drives the entire process — even though

the process may go slow. Using what you already know or can find out quickly, prove the financial feasibility and as much of the technical and marketing feasibility of the idea as you can — so that you know if the idea makes sense for your company and your prospective customers. In this study, be sure to examine options such as, “what if you were able to outsource the design rather than design it yourself?” and, “what if you were to buy it rather than build it?” Or, “what else can we do to turn the idea around — or turn it upside down until money falls out?” and “what will competitors do?”

To facilitate your technical and market research, rapid prototyping and message testing are extremely useful tools. Rapid prototyping quickly reduces an idea to practice and provides both the innovation team and customers something they can see, touch, feel and react to in ways that are more powerful and effective than the reactions you’d get if you only share a written description or picture. And while rapid prototyping is a great learning experience, message testing is equally, if not more, important. This is because, if you can’t state your value proposition in a simple way that is compelling for prospects, they’ll never become customers, and your idea — no matter how technologically miraculous — will never get off the ground.

These “early day” studies are important due diligence steps. Alternatively, if you find out that your first idea isn’t likely to grow, you can confidently decide to replant and get going on another idea so that you don’t waste seven valuable years of your career and the company’s scarce resources tilling soil that will never bear fruit.

There are many ways, some conventional and expensive, and others not, to do the financial, technical and marketing due diligence that you need to do. New Pig, a small company from Tipton, PA, competes effectively with the likes of 3M. They do it with a repeatable process that relies more on knowledge and market understanding than time and money. And they do it

without skipping key steps. As the New Pig example illustrates, the important thing is not how much time or money you spend, but that you do the research objectively and pay careful attention to the findings.

Huge companies — and the people in them — can behave like small companies and entrepreneurs, too. To determine technical feasibility, Nate Wyeth, the developer of the ubiquitous DuPont polymer that is now in every soda bottle and the scientific arm of the famous Delaware Wyeth family of artists, said that he took over the family refrigerator with every kind of plastic bottle imaginable. He figured if he could find one that would work even a little, he'd know whether, or where, to start developing the real thing. What Nate learned from his home science project is that most bottles turned into basketballs filled with flat soda — except for the one that got him started on the path to success.

For initial marketing research, as the idea is forming, talk to your salespeople and suppliers or distributors who are typically elsewhere on the innovation “food chain” because your idea might change how their work is done just as their ideas might change how your work is done. Also, look to have informal developmental conversations with legal, regulatory and financial specialists. And, along the way, interview at least 30 prospective customers, most of whom you don't know, to find out if they have the problem you are trying to solve, if they would be interested enough in the solution you propose to pay for it and, if so, how long do they think it would take them before they decide to try it?

Customer interviews can be conducted in person, over the phone, via the web or in all three media. When seeking customer input, avoid interviewing friends as they are likely to be polite, and may not provide the objective criticism you need to map out the best flight path for your innovation. Also, it is generally a good idea not to rely on salespeople to interview or

speak for customers. This is because customers are perfectly capable of speaking for themselves and salespeople, however well meaning, almost always inject some measure of personal bias.

Whenever interviewing prospects, be sure to ask each one the same set of questions so that you get a statistically significant number of responses (i.e. at least 30) to help you feel good about the decisions you will have to make. And, whether interviewing salespeople, suppliers, specialists or prospects, always take copious, unfiltered notes during or after every conversation so that you can remember and analyze what was said to develop an objective view of how your idea will be received internally and externally.

The point is to quickly test your idea while it is still in the early formative stage. Test it against your market and against your strategy. Prove that you can do it. Prove feasibility. Don't forget that your idea is going to have an impact on many parts of your company and the suppliers and distributors who support you. And most importantly, spend time with key players in the core of your company, getting their advice on how the idea can play out. Tom Fehsenfeld, of Crystal Flash Energy in Michigan, describes how dramatically his innovation team underestimated the impact of their ideas on critical operations like customer service and billing. These are the people who can make or break your idea. Manage them carefully and your idea will keep buzzing even in the most trying times.

Nurturing ideas into reality is a lot like planting and tending a garden. There are ten basic rules that you must abide by if you want to grow ideas that won't wither on the vine.

## **Ten Essential Commandments for the Successful Idea Gardener.**

### **Thou shalt...**

**I. Know thy sun, soil and plants:** Make sure that ideas fit your organization — its finances, strategies and capabilities. Be sure that ideas are physically feasible.

**II. Fellowship with other gardeners:** Seek advice from legal and financial specialists, customer service and suppliers regularly.

**III. Observe the weather faithfully:** Consult with customers often by doing quick research before and after planting.

**IV. Place a one-dollar plant in a five dollar hole:** Allow room for growth. New ideas can consume large amounts of organizational energy.

**V. Plant anew if the seed does not sprout:** Do not throw good effort after bad. If a new idea does not work, look for another one that might.

**VI. Water thy garden:** Be sure that ideas and teams get the resources and moral support they need.

**VII. Protect thy work from pestilence and blight:** Provide executive cover. Avoid forsaking the important work of NPD to focus exclusively on existing business.

**VIII. Cull the wilted, the withered and the weeds:** There are so many good ideas that you simply cannot undertake them all. Scarce resources need to be saved for the ideas that you can tend best.

**IX. Give thanks to thy family, friends and neighbors:** Recognize those who help ideas succeed.

**X. Harvest no plant before its time:** Do not be overeager to reap the fruits of your labor. Make sure ideas are ready for market before taking them from the garden. They will be worth much more if they are mature and ripe.

# CONCRETE INNOVATION PRINCIPLES

- Innovation requires that we be “long term greedy.” Harvest less this year so you can harvest more every year.
- There is no replacement for a solid, agreed to innovation process. Invest in getting your innovation process and plan documented, and communicate!
- Have a “portfolio” approach... some projects are short term sure-things and others are long term learning opportunities.
- Choose just a few things to really go after and set the rest carefully aside. Companies that do less succeed more.
- Stay connected to your customer always, and at every stage. Realize that their world is changing too and what they said last year may not apply this year.

# CREATIVITY IS A PRACTICE NOT A TALENT

## Here Are Tactics to Ignite Profitable New Hot Spots

By Christopher W. Miller, Ph.D. & Gary C. Graziano, AIA



*Creativity takes practice; it's not going to get easier if you wait until tomorrow to start getting good at it. While getting an idea is an individual activity, the knowledge that builds to that unique and useful thought takes the insights of a team. So, if you have the guts to try something new tomorrow, you'd better start getting your team ready to think in new ways today.*

That annoying noise could be your job being sucked into the limitless international vacuum of low-cost supply. If your job is at risk of moving to China or India, it is because you, your company, or your country has decided that it's easier to be irrelevant than to reinvent themselves. What we might all need in today's economy is a bit of tough love.

The first non-native Australians — forced settlers and prisoner explorers — made it to Sydney Harbor from Colonial England, and some of them promptly proceeded to starve in a world filled with all sorts of fish, fowl, and land animals. To these settlers, if there was no salt beef, there was no food. Many of us are not much better off in the way we approach our work.

We are losing high-paying jobs in a world desperate for food, clothing and shelter. After all, what is a job? It is a way of trading some of your time to someone who needs what you know how to do, in exchange for something you want, usually money, so you can trade that money for something you need. When your job is at risk, what you lack is a good way to trade what you have — your knowledge, tools, and ability — in the world market. What you need is an idea. And then once you have one, you'll find that there is always another, and another, and another after that.

Ideas are infinite and free once you've learned to practice the art of creativity. More ideas are better. But ideas can only thrive in a climate that accepts them and promotes action along a single uncompromising path. Your company has to believe that if you find you're surrounded with giant hopping creatures called kangaroos, your life might be well spent writing the Kangaroo Cookbook. This thought can be expressed as an equation:

**Quality of Thought x The Number of  
Ideas x Focused Action = Innovation**

Quality of thought is made up of the following:

- Preparation – skill, depth in knowledge, expertise
- Readiness – a prepared and open mind

Ideas in large numbers can emerge from these:

Time to think – an exasperatingly scarce commodity today, unless you make time to do it;

- Intensive exploration with others who have an equal ability to engage in “quality of thought,” and preferably others with a different knowledge set from yours;
- Processes – both personal and group processes that document ideas and select those deserving to move forward into action.

Focused action is driven by the following:

- Genuine hunger. Kangaroos looked pretty strange – you had to be pretty hungry to take the first bite;
- Acceptance that nothing will ever be the same as it was. Openness to change – Australia would never be Great Britain;
- Dynamic thinking – an individual or company willing to treat their idea as a living and growing part of themselves, not as a static thing to do;
- Support – a team that believes an idea is right for them at this time;
- Personal commitment – acceptance of responsibility for bringing the idea into reality.

The WD-40 Company has been discussed in management texts as an example of a one-product company. Fearing increased competition from store brands, the WD-40 team, led by Arnold Spector and Graham Miller decided to reinvent themselves. They followed this simple process:

First, they drew together a diverse, deeply knowledgeable team. Second, they invested in their own training. Third, they observed their customers in their natural habitat. Fourth, they created many ideas and selected just a few on which to focus action. Look at the results:

- Field observations of more than 200 needs of 15 different customers
- A selection of 8 needs that represented problems WD-40 could solve
- The creation of more than 600 ideas by 35 company and customer people, all ways to solve problems for the customer
- Identification of 100 possible product concepts
- Selection of about 10 leading Possibilities
- Further customer research to prioritize the product introduction plan with more than 150 customers

Within 18 months there was WD-40 Big Blast, and in less than two years there was the WD-40 No-Mess Pen.

You can do what WD-40 did. Their formula was very simple in process and very hard in fact. You and your company can learn how to do it. But stop! Ask yourself: does your company have the courage to stop repeating today's sub-optimal approach to helping the customer? And does it have the time and interest to learn and try something new?

And if the answer to the previous question is "yes," have a bite of kangaroo.

By the way, if you are part of Pennsylvania's manufacturing community and have lost your job or had work hours reduced due to foreign competition or shifts of you could be eligible for Trade Adjustment Assistance benefits including training. Visit **[www.dli.state.pa.us](http://www.dli.state.pa.us)** for more information.

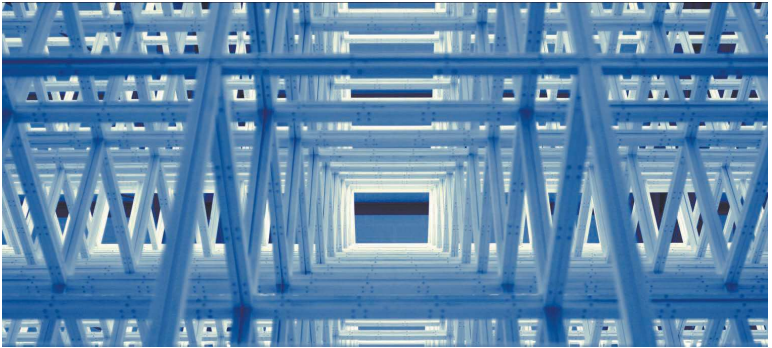
# CONCRETE INNOVATION PRINCIPLES

- Accept that the “old normal” is history and future survival could depend on ugly, often uncomfortable change that you may never really like.
- You need help. Broaden your perspective. Diversify your team. Diversity adds strength – it does not make it easier.
- Creativity takes practice and an intense desire to be good at it. Start now. You won’t get any more time than you have now, and it won’t get any easier.
- Give yourself and your team time to think – and create.

# CREATE SUPERIOR VALUE

## 3D Strategies for Successfully Charging More than Your Competitors

By Christopher W. Miller, Ph.D. & Gary C. Graziano, AIA



*This introductory piece about creating competitive advantage was prepared to help readers build a lasting foundation on which they could erect solid strategies for new product and business innovation and success. Although The Great Recession will change many things, the concepts described in this article will still apply to businesses seeking to participate in what we hope becomes The Great Recovery.*

Every business shares the same goal: creating superior economic value (ROI) by finding and maintaining a competitive advantage. Value is created when customers are willing to pay more for a product or service than it costs to produce. *Superior value* is created when customers are willing to pay more for your product or service than competitors', or when they prefer your version of a product or service to all others because it meets their needs better and maybe even exceeds their expectations.

While finding one sustaining competitive advantage is generally not possible, it *is* possible to develop a series of advantages that can sustain your business through continuous business innovation. Most sustaining advantages are born out of continuous innovation, not the annual strategic planning processes. The cumulative effect of many small things done well is usually better in the long-run than a big hit from the much sought after, and elusive, "silver bullet."

Why are a series of sustaining competitive advantages important? Without them, a business will, at best, be average and will not grow beyond the rate of market growth for a sustained period. Pursuing benchmarking or "best practices" does not create competitive advantage, because it leads to doing what others do, and eventually being the same as everyone else — average. Similarly, internally-oriented "strategies," such as Operational Excellence, also cannot create competitive advantage unless they support a market position that is highly valued by customers, and cannot be copied or improved by competitors.

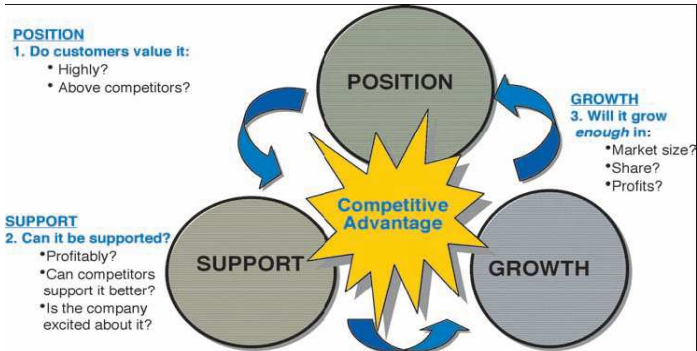
As proof that your desk is a dangerous place from which to view the world, a few years ago, when Coleman was in financial trouble, they recognized "that camping is everyone's favorite thing not to do." With this realization, they determined that they needed to look at the bigger world of outdoor living and branched out into deck, patio, yard, and sports furnishings, tripling their business in only five short years.

To achieve competitive advantage — and superior profit — a company must do things differently or better than competitors in ways that customers value by engaging in strategic marketing, a customer-focused process that seeks to create unique and mutually beneficial exchanges between buyers and sellers. The exchange can involve goods, services, information, money, or loyalty — and always, benefits for customers.

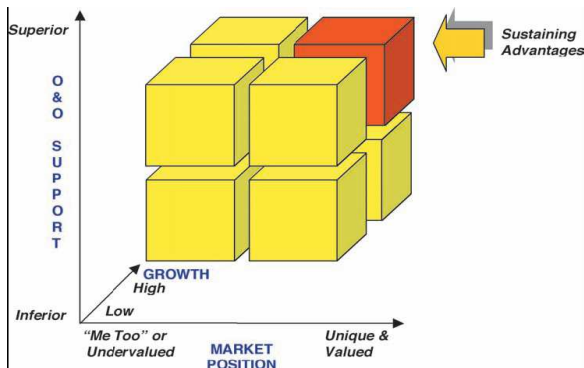
If companies develop the right strategies — that is, they take the right actions relative to customers — they are rewarded with market share. And, if they manage well, they are rewarded with profit. Developing the right strategies is not easy, and many treatises have been written about strategy, but at their core, they all describe it the same way:

- Strategy is a set of actions relative to customers and competitors. Good strategy is about finding and occupying a unique and valued space in the mind of the customer. It is about constructive disruption and creating paradigm shifts in the way you do business or in the way you help your customers do business or live their lives.
- Good strategy is simple, simply stated, future-oriented, executable right away, and SMART — Specific, Measurable, Actionable, Realistic, and Time sensitive. It is also enduring. Without continuity of direction, it is difficult to develop the unique skills, assets, and brand reputation needed to achieve and sustain competitive advantage. Focusing largely on short-term results, or engaging in frequent “reinvention,” are symptoms of poor strategic thinking and fast tracks to mediocrity.
- Good strategy is also exclusive. It involves deciding what — and what not — to do. Improvements that do not require trade-offs become new best practices because anyone can copy them without paying a price. Good strategy aims to develop a set of unique, use- and customer specific customer benefits that are different from competitors’.

- In good strategy, a company's actions cater to its strengths and are organized so that all activities are mutually reinforcing. "System fit" and alignment increase competitive advantage by making strategies harder for competitors to imitate successfully.



So how do you achieve the competitive advantage that comes from a unique and valued market position? Start thinking like a business innovator and begin thinking in three dimensions by asking these simple questions: 1) What is my market position and how can I improve it? 2) What kind of organization and operations do I need to support it? 3) Can I get the growth I need from what I'm doing to meet my goals?



To answer these questions, look to your customers and prospects and ask: what is it that they want? And, what are they doing, buying, or working around? Then look at your competitors and ask: what do they offer their customers? What don't they offer? What can they do better than you? What can you do better than them? How can you disrupt the market? Where is there opportunity for growth? And, can you and your company get excited about what needs to be done?

Once you've begun to ask and answer these questions you'll be on your way to developing three dimensional strategies to create superior value for your customers and your firm.

## Competitive advantage has three dimensions:

### 1. A unique and valued Market Position

The generic product strategy and unique value proposition for a specific set of customers and needs. Example: McDonald's limited menu, fast service, low price offer is for anyone on the go.

### 2. Effective Organization and Operations Support

The unique and effective infrastructure that delivers the Market Position better than competitors could. Example: Dell Computer spends a smaller percentage of its revenues on R&D than any other computer maker. This is because, instead of inventing the most sophisticated or powerful machine that can be imagined, Dell focuses its resources on operational excellence to make the computer that you want at a price you can afford.

### 3. Opportunities for sufficient and profitable Growth

The opportunities for sufficient profit that keep shareholders interested in the business so they will fund the capacity increases and improvements required to meet demand and evolving customer needs. Example: opportunities that take advantage of the extraordinary age demographic shift taking place as baby boomers reach retirement will have good growth potential.

# CONCRETE INNOVATION PRINCIPLES

- Don't look for a "silver bullet." It is better to build a broad set of small, sustainable competitive advantages.
- "The desk is a dangerous place from which to watch the world." Get out of the fire and experience your market.
- Think SMART strategies – specific, measurable, actionable, realistic, and time sensitive.
- There is no such thing as a "go-it-alone" strategy. Work with your customers and your team to strengthen your strategic thinking.
- Not all good ideas rise to the level of strategy. They should, however, point to or be part of your strategy.

# THE FIRST DIMENSION

## Finding a Unique and Valued Market Position

By Christopher W. Miller, Ph.D. & Gary C. Graziano, AIA



*This is an article about mastering one of the finer points of competitive advantage, an aspect of advantage that is a moving target on which the successful strategist must always follow – or anticipate. The Great Recession will cause great social and economic disruption in product markets. In the world of the "new normal" what was once valued will be less valued, or no longer valued, and things that didn't matter much before may matter a lot. Being among the first movers to identify and innovate to solve the new problems worth solving so that you can claim a new, unique and valued market position with customers will be very valuable to you – and your stockholders.*

*Consider this: why would you pay a dollar to buy a cup of lemonade from some enterprising six-year olds on your street when you already have your favorite beverage in the cup holder next to the driver's seat? A product that is out-classed by or indistinguishable from its competitors is hard to sell. Competitive advantage hinges on delivering greater value.*

In our last article, we introduced the three dimensions of strategy for developing competitive advantages (market position, profitable growth, and organization and operations support). Now, let's explore, in greater depth, the first dimension: finding and occupying a unique and valued *market position*. Unless you have the only solution, and the only patented solution, for a problem to which customers assign value, you need to manage the elements of market position to maximize the value you deliver to customers — and receive from them in return. At a high level, the aspects of market position you must manage include:

- **Selecting a category or niche** where there is a low threat of substitution and where buyers and suppliers cannot significantly control your pricing or profitability. *For example, the six-year olds' lemonade stand may be the only one in your neighborhood — and a rare opportunity to return a kindness shown to you when you were a kid. And besides, what self respecting adult would negotiate price with a six-year old?*
- **Identifying customer-specific benefits** or outcomes from using your product category or service that are highly valued by *different* sets of customers. *For instance, as a neighborhood adult, when you buy lemonade from six-year old neighbors, you are supporting cute, impressionable kids by helping them learn valuable life lessons about kindness, commerce, and community.*

Because most markets are diverse, managing for a solid market position requires positioning your business in terms of: 1) *price point* — the price range in which you elect to compete (e.g. low end, high-end, etc.); and 2) *value proposition* — the differentiating focus you pursue at your price point to develop strong customer relationships and loyalty. *As a case-in point: our six-year olds are selling more than lemonade; they are selling an opportunity for you to help them grow to become good citizens. Now that you know each other, you will probably buy tickets or Girl Scout cookies, etc. just for the satisfaction of helping them — and watching them grow.*

According to Fred Wiersma, a popular business author, there are three value propositions:

- **Best Cost** - the best first, system, or life-cycle cost product or service
- **Best Product** - the best product or service in terms of performance, durability, design, etc.
- **Best Value** - the best combination of product or service features, benefits, and cost

Although our six-year olds' lemonade is not Best Cost and probably not Best Product, it is the best commercially available option in the neighborhood. What they probably don't realize is that your purchase has little to do with their product and everything to do with the experience you are receiving. This said, *are you sure you know what your customers are really paying for?*

Between *price points* and *value propositions*, competitors can occupy many niches without directly competing. However, a crowded category will have more than one competitor for each price point and value proposition niche. In selecting a niche, find another if more than three competitors have the same *price point* and *value proposition*. Too many similar offers confuse and

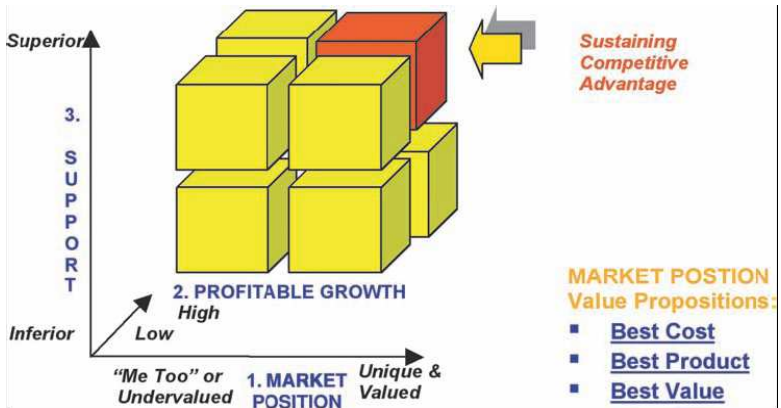
frustrate customers because there is no easy rational or emotional way to choose one over the other. And when this happens, they buy on price. If you place yourself in one of these niches, it can be difficult to attract enough customers to grow your business or to achieve the ROI you or your investors need.

So, how does a firm find a profitable niche? The answer is simple, but the task can be complex: conduct marketing research relative to customers, needs, problems, and underleveraged technologies or capabilities. Look for customers that no one is serving or serving well. Look for needs that are unmet or underserved, and problems that can be removed or reduced. Or, look for ways to apply existing technology or capabilities that *customers* would view as a superior solution to unmet or underserved needs (e.g. because user cost is reduced, a warranty is improved, or the product or service is more accessible).

No discussion of market position would be complete without a few words about market share. New entrants with a competitive advantage usually do not need high share to be successful. In time, they need higher share to meet investors' expectations for growth and to fund development of new competitive advantages. Maturing firms that do not have high share, or are not experiencing share growth, should rethink their market positions because their offer may no longer be relevant to customers whose needs, or access to competitors' solutions, have changed.

In the case of our six-year olds' local monopoly, if there had been three lemonade stands, you might have driven right on by knowing that you couldn't rationally choose or support only one without feeling guilty. Of course, if three sets of kids were having a street fair with noncompeting products, you might have parted with your lunch money to help them all. It is not always good to be the only business in a category. Quasi-competitive clusters of "competitors" are good for business. One street café

and an art shop are quirky neighborhood treasures. Ten shops clustered together, with each selling something slightly different or complementary, are a lucrative entertainment destination.



# CONCRETE INNOVATION PRINCIPLES

- It is about meaningful differentiation – being different from your competitors – but only in ways that matter to your customers.
- Understand the whole customer experience – including the companion products used while yours is being used. It is not uncommon for your companions to have a problem for which you are blamed.
- It is your customer's point of view that matters; not yours – and definitely not your sales team's! If your customer is blaming you it IS your fault.
- Products are bundles of tangible and intangible characteristics and attributes – including information and service. Think about quasi-competitive clusters of companion products and services that might work together to enhance the whole customer experience.

# THE SECOND DIMENSION

## Tactics to Achieve and Sustain Profitable Growth

By Christopher W. Miller, Ph.D. & Gary C. Graziano, AIA



*This is really a piece about assessing the goal congruence of abundant, externally-focused opportunities with specific, internally-focused needs: revenues and profits. In the aftermath of The Great Recession growth opportunities – and expectations – will be different. While investors may be more conservative, and new regulations may abound, finding and sustaining opportunities that provide sufficient growth – with acceptable social and economic returns – in the “new normal” world of new, and uncertain, market positions could be even harder and riskier than before September 2008. Until we really understand where we are and where we are going and whether The Great Recovery will be “U”, “W” or “V” shaped or shaped more like the “V” in the Verizon logo, strategy supported by fact-based research and tested by alternative futures analyses will be more important than ever.*

Profitable growth is the outcome of a way of thinking, a lot of hard work, plenty of risk, and even a little chaos. It enables a business to pounce on opportunities or threats, and rebound more quickly from set-backs than no growth competitors.

In our last article, we discussed Market Position as the first dimension of mutually-reinforcing 3-D strategies for sustaining competitive advantages. A good market position does not guarantee that sufficient growth to satisfy investors' expectations for increasing profits will follow. Hence, the second dimension in building solid strategies for competitive advantage is *growth* because ignoring it often leads to pursuits that erode business value.

Developing a solid set of 3-D strategies for competitive advantage is a merry-go-round. It doesn't matter where you start — just as long as you get on, get going and go around a few times. So, before pursuing a product and market position, determine if they'll provide opportunities for growth that generate an acceptable ROI while also funding the risky, necessary improvements and cost reductions to sustain your offer. If good opportunities for growth don't exist, then find another product or market position that will meet your financial objectives. Or, manage for exit.

Why else is profitable growth necessary? Because 1) when customers spend their money with you they cannot support competitors and 2) growth fosters a clear and intense strategic focus. Good strategy requires a business to make difficult trade-offs in deploying scarce resources to support what it has chosen to do for customers that competitors cannot. If an opportunity will not generate sufficient returns, then interest wanes and customer service and revenues deteriorate while the company simultaneously pursues other opportunities in an attempt to satisfy growth objectives.

Successful growth requires an unwavering commitment to the goal, and a tolerance for failure. Tom Fehsenfeld, President of Crystal Flash Energy, reports that 30 months after starting a *new products department* and looking at 900 opportunity areas, 300 new product concepts, 12 in-depth studies, and launching only three new products, “gross profits on new product sales exceed the department’s budget” (visit [www.pdma.org](http://www.pdma.org) to learn how to do what Tom has done).

When considering what your growth goal should be, the answer is: just short of monopoly. An “unfair” share is not illegal if not illegally gotten and it can be good for customers if it provides resources to warrant products and fund improvements. Ultimately, your goal, rate of growth, and the strategies you choose to pursue will depend on your resources, business mind-set, and appetite for risk.

So, then, how will you grow? *Will your market grow naturally, and your business with it? Or, will you have to influence the market — and, if so, what could it cost and how long could it take? Will growth be the result of a fad, a phenomenon or underlying demographic factors? (Fads are bad sources of long term growth because they are short lived.) And, will growth occur at a rate you can manage for share gain so that you don’t stand still or fall behind?*

If growth opportunities for your business are not obvious, there are four categories of growth strategies you can explore ranging in order from highest to lowest economic impact:

- 1. Market Growth**, where sales for an entire category increase either as a result of natural increases in demand driven by economics, demographics, social or technical phenomena, or by marketing-driven increases that create customer awareness of solutions worth buying to problems worth solving. Market growth can involve

selling to more customers, more to the same customers, or both.

- 2. Market Expansion Growth**, where you 1) expand into new geographies, 2) find new applications for existing products or services, 3) develop new products to broaden an offer, or 4) acquire suppliers in your value chain who also supply your competitors or others. Expanding into new geographies or finding new applications for existing products and services are usually the least risky expansion paths. Ignoring this approach to growth exposes you to competitors who will use it to grow at your expense.
- 3. Market Share Growth**, where you take more of the market, or market growth, than your competitors based on the strength of your *market position* and the level of promotion you can undertake to make customers want you instead of your competition. Market share growth may require concessions on price or margin but can create scale that enables you to perform valuable activities that competitors can not.
- 4. Profit Growth**, increasing the profit on each dollar of sales can be created by price increases, by cost reduction, or by unbundling and repackaging benefits. Cost reduction is usually the safest option. It is also a short-term strategy because a business cannot save its way to long-term growth and prosperity. Increasing price is also risky because competitors don't have to follow or, if they do, it makes your category more attractive to new entrants or drives customers to look for other solutions that cost less, or are better but cost the same. Unbundling and repackaging benefits to reduce price or achieve a higher overall price can also be risky unless you really know why customers are buying your solution. If you don't, unbundling could be your undoing.

After identifying possible growth strategies, consider how they could be executed — and whether you, or anyone else in your industry, can execute them and who can execute them best. The same set of tactics (promotion, joint venturing, licensing, and acquisition) apply to every category of growth. Tom Fehsenfeld advises, “This is not easy work. The majority of things we look at are killed in the earliest stages. Only a few make it through to successful innovations for us...products our competitors can’t match.”



**Market Position, Growth, and Organization and Operations Support Strategies are mutually reinforcing and work together to create sustaining competitive advantages**

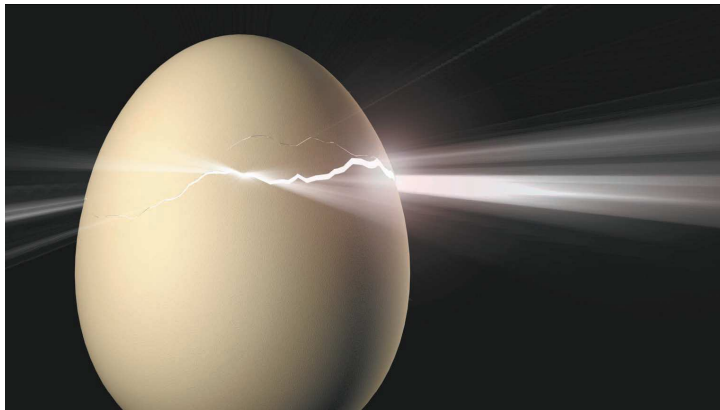
# CONCRETE INNOVATION PRINCIPLES

- Be unique – your goal should be to have a monopoly.
- Have a growth strategy – overall market expansion, market share expansion, or profit growth. Choose one and execute well.
- Most ideas must be set aside after examination, but “idea killers are a dime a dozen; idea growers are rare.”

# THE THIRD DIMENSION: OPERATIONS AND ORGANIZATION

## Organize to Execute: Hoping You Can Make Things Work is Not an Operational Strategy

By Christopher W. Miller, Ph.D. & Gary C. Graziano, AIA



*This last piece in the series about strategy examines how you assess whether and how you can undertake the market-based opportunities that promise to provide the growth you need. What's likely in the "new normal" future is that the way you organize and implement to solve changed, new or emerging customer needs will be different than the way you – or your company – did in any other post World War II recovery period. Many businesses now have very different human and financial capital structures, resources and capabilities, and will have to think very differently about how to get things done. Shriveled 401ks, impending legislation on healthcare, other entitlements, unionization, and taxes will also drive new ways of thinking, selecting and acting on opportunities.*

*This is the third in a series on the tactical necessities for unleashing innovational power. See: The First Dimension: Finding a unique and valued market position, and The Second Dimension: Tactics to achieve and sustain profitable growth, reprinted from the January and February 2005 Business2Business Magazines at [www.b2bezone.biz](http://www.b2bezone.biz).*

Do you centralize, or decentralize and empower? Go flat or build layers? Run lean or build bench strength? It all depends. And you had better know what it depends on. *Operations and organization* strategies are the internally-focused plans for taking action to support externally-focused *market* position and *growth* strategies. They comprise the third and final dimension of the iterative process used to develop solid, 3-D strategies for achieving and sustaining competitive advantages.

The performance-enhancing power of operating strategies (e.g., Automation, JIT, Lean, Six-Sigma, Outsourcing, Customer Intimacy, etc.) or tactics and tools masquerading as strategies (e.g., Re-engineering, Line Rationalization, ERP, CRM and ecommerce, etc.) have been widely touted as ways to effect lower cost supply or achieve operational excellence needed to serve customers better. And, some seem to improve short-term results. But that does not mean that sustained, profitable growth will follow. One-time hits from rationalization, "rightsizing," and balance sheet re-engineering are not game-changing, or "evergreen."

Long-term improvements demand carefully selected, relentlessly executed operating strategies to support marketing strategies aimed at delivering financial objectives. For example, although cultures can be changed for the worst almost overnight, it can take many years to affect positive transformation in an established enterprise. As a leader, your job is to figure out what to do to achieve long term success. To do your job you have to find and face available and imperfect facts,

and then organize to get things done. In the process, you have to ask:

- *Will your current cost or service position support your offer?*
- *Do you really know what customers want?* And, are you doing things that don't need to be done? You have to know what customers want to put Quality or Lean initiatives to good use because to conform to customer requirements (Quality) or to identify and eliminate waste in your product or processes (Lean) you have to understand what customers want, need, and value.
- *Do you have the systems, data people, skills, and insight you need to make the right decisions and execute them?* Do you have enough, and enough of the right people? If not, are they available, and do you have the hiring and training resources to bring them onboard successfully?
- *Can you articulate and communicate what needs be done?* Will your team understand and buy into what needs to be done? Will they have the power or authority to get it done? And, will they be accountable?
- *What will you stop doing, or spinoff, so that you can focus on what needs to be done?*
- *How can you "eat the elephant one bite at a time?"* What is the priority sequence of actions that must be taken and what are the core competencies required for success at each step?

If the external strategies you're considering don't build on your strengths, fit your management ability and leadership style, or match your company's financial, cultural, intellectual, human, and physical resources—they're not right for you. When external strategies don't fit internal capabilities, you have to revisit the first and second dimensions of 3-D strategies, choose new ones,

and perhaps even modify your financial objectives. Hoping you can make things work is not an operating strategy, it's wishful thinking.

Even when the operating strategies you've chosen are good for you, they may not be good enough for your price-conscious market. In our global economy, pricing power is eroding and outsourcing is on the rise. This is because huge cost-related disparities—*sources of competitive advantage*—exist from one region or country to another. These disparities can offset almost any cost-reducing initiative you can execute, and are becoming relevant to nearly every class of goods or services. And, although brands and relationships matter, they usually don't matter as much as price. So, if you can't give your customers what they want to live the life to which they aspire or what they need to compete, someone else probably will.

Once you've selected your operating strategies, you organize to execute. In doing this, don't try to fit new, externally-driven strategies to an existing, internally-focused organization. Organizations should be purpose-built to execute specific strategies and achieve specific results. So, reorganize to execute. And if you can't change your organization, start managing for exit—because in business, as in nature, organisms that cannot adapt to change will die.

In organizing to execute, do you centralize, or decentralize and empower? Go flat or build layers? Run lean or build bench strength? It all depends on what you need to do, the size of your particular operation (spans of control should not exceed 10 direct reports), and the speed with which you need to act. If you need fast answers all the time, a decentralized and empowered structure might be best.

Alternatively, centralization of some or all functions might be better if synchronized execution is key or if a high degree of control is needed to ensure that:

- mistakes are never made
- one face is always presented to the customer
- finances are closely monitored.

Whether you centralize or decentralize, if you plan to grow, you'll need to build bench strength and have a solid succession plan in place so the right people are in place and ready when the time is right to take your business to the next level.

If you use 3-D strategic planning effectively—that is: 1) if you determine how to *operate and organize to support realistic market position and growth* goals and strategies selected based on analysis of the market and environment; and then, 2) focus relentlessly on execution—you will succeed in developing competitive advantages that create value for customers and your firm. Because, again, as in nature where only the fittest (i.e., savviest, strongest, and most adaptable) survive and thrive, businesses that plan and execute effectively will win.

# CONCRETE INNOVATION PRINCIPLES

- Know what your customers really want – before deciding what you will do and how you will do it.
- Build on what you know or can learn quickly. If what needs to be done doesn't fit your company's – or your people's – strengths or capabilities, look for something else to do.
- Organize to execute. Fit your organization and operation to what needs to be done, not the other way around. Adapt or die.
- Keep it simple. If you can't explain what you're doing don't expect your people – or your customers – to understand it.
- Find innovation disciples. Your organization needs an innovation succession plan. Cowboys always ride off into the sunset.

# CONCLUSION

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We hope that this book has provided some motivation to find the time to think and ask yourself about what will be your “new normal”. We also hope that you’ve taken away a few new insights to help you emerge from The Great Recession in a way that lets you participate successfully in The Great Recovery.

It is our opinion that those who collaborate to find the new problems worth solving and new ways to solve them ignite and nurture the innovation buzz and creativity within their organizations. They develop solid three-dimensional strategies founded on customer needs and matched to company objectives and capabilities. They will achieve concrete competitive advantages – and results – that will sustain their businesses and their families. We also know that successful innovation is more complicated than we’ve made it seem and hinges on some things we haven’t covered in this book but have also written about: people, patience, and perseverance. So, to develop an even better understanding of what you need to consider or do for successful innovation to invent your future, we encourage you to read our other articles referenced later in this book.

The “new normal” that we referenced in the *Forward* also has other important dimensions that we didn’t mention up front. Not only will the economic, legislative and social value-driven opportunities be different, but the ways we can or must go about finding and addressing them will be different also. Because of today’s sophistication of electronic technology, the declining use of print media, the growth of online meetings and social networking, as well as the graduation of Baby Boom Echoers into the work and market places; the ways we communicate, collaborate, receive and manage our information, as well as the way customers form their opinions of our businesses are changing significantly and rapidly. Today, for

most companies, it matters less what you say about your company or product and more what others say about you: how you interact with them – and how fast, and what you actually do. And tomorrow it will matter even more.

While we can't predict the future with certainty we're certain that the "new normal" will bring new views and values and new ways to communicate, collaborate, and compete. So, going forward, you can choose to learn from the past, and adapt by making the changes you need to invent an acceptable future through collaboration, learning, innovation, planning, and action – or, you can crawl into a hole, pull a rock over your head, and hope for a return to the normal that you knew. And hope is not a strategy that usually leads to success.

## OTHER MILLER/GRAZIANO ARTICLES

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These articles cover a broad range of innovation issues and can be found at (<http://www.b2bezone.biz/editions/lancaster>) or on the Innovation Focus website (<http://innovationfocus.com/>).

Eureka! Create ideas to strike like lightning and roll like thunder. *Lancaster Business 2 Business, June 2004, 12-13.*

Exploit innovation's twin engines: Innovation can be pushed forward by technology or pulled out by markets. Key: Important innovation starts with an important problem. *Lancaster Business 2 Business, May 2004, 22-24.*

Fit the manager to the moment: Most can manage some of the people all the time, but not all of the people all the time. *Lancaster Business 2 Business, November 2005, 22-24.*

Invent, innovate, improve, or die: Innovation thrives on tension. *Lancaster Business 2 Business, October 2005, 22-23.*

Invent, innovate, improve, or die – Part I: Product and process invention, innovation, and step-change improvement are essential to survival. *Lancaster Business 2 Business, June 2005, 28-29.*

Nurturing nature? The way we are wired and the experiences we have affect how we can contribute to invention, innovation, and improvement. *Lancaster Business 2 Business, September 2005, 22-24.*

Out to launch: Will you cast your new innovation adrift, or send it deftly into prosperous markets. *Lancaster Business 2 Business, September 2004, 18-19.*

Plan to innovate: How to audit your business culture to target flexibilities. First in an executive series. *Lancaster Business 2 Business, April 2004, 12-13*

Pollyanna was right – Optimism works: Invent, innovate, improve, or die. *Lancaster Business 2 Business, December 2005, 18-19.*

The dark night of innovation: Disillusion and despair? Worry is not to worry about, it is merely to be overcome. *Lancaster Business to Business, April 2005, 22-25.*

The 10 best ways to kill ideas: Killing innovation with questions and other nasty stunts. *Lancaster Business 2 Business, May 2005, 22-25.*

Time for launch: Every crew member has a role – get ready and get help. *Lancaster Business 2 Business, October 2004, 18-19.*



## GARY C. GRAZIANO

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Gary C. Graziano, AIA is a growth-oriented creative problem solver, entrepreneur, and intrapreneur. Educated as an architect, Gary holds a Bachelor of Architecture from Cornell University and a Masters degree in Engineering Management with majors in marketing and innovation from Drexel University.

Whether working for himself, a Fortune 500 company, an internet start-up, a privately-held business, a political campaign, or volunteering his time with an association or charity, Gary has applied his expertise, experience - and impatience with the status quo - to helping enterprises achieve their goals.

In the course of his work Gary has used creative problem solving to successfully: start or operate businesses, education programs, industry partnerships, and associations; develop markets, products and processes; reengineer operations and organizations; spear-head strategy, sales, acquisitions and facility start-ups; create award-winning marketing programs; develop statistical models and adopt new technology to improve design, estimating, sales and marketing; reduce costs; and grow businesses.

Today, Gary is vice president of marketing for High Concrete Group LLC, president of the Mid-Atlantic Precast Association, and an officer of AltusGroup, Inc., an industry partnership devoted to developing and marketing precast concrete products. He also serves as President of the Board of the rapidly-growing United Disabilities Services Foundation, a charity that finds innovative ways to help the physically disabled and elderly live independently, and the newly-formed Manheim Township Public Library, whose mission is to promote life-long learning.



([www.highconcrete.com](http://www.highconcrete.com)), a fifty-year old Denver, PA-based enterprise and one of the privately-held, Lancaster, PA-based High® Companies ([www.high.net](http://www.high.net)), is the largest US-owned concrete precaster

in the United States. High Concrete works with architects, engineers, developers and general contractors to design, furnish and install architectural enclosures for commercial and institutional buildings, parking garages, as well as miscellaneous components for nonresidential structures such as stadiums, and schools, and multifamily buildings such as dormitories, hotels, apartments and condominiums.

The company's success is the result of its innovative products, processes and customer relationships – driven by the High Companies' philosophy of being innovative leaders and building trustworthy relationships, and its use of facilitated innovation techniques.

High Concrete has pioneered a number of industry firsts including: wide bays and super-size, cost-reducing parking deck components shipped on a patented hauling device that eliminates costly escorts; EcoBlast® finishing, using recyclable stainless steel shot media instead of sand; EcoMix®, a high recycled content concrete; CarbonCast® products, lighter, thinner, better insulating, and more sustainable precast made with patented CarbonCast® technology; High Concrete Accessories ([www.highconcreteaccessories.com](http://www.highconcreteaccessories.com)), a line of patented precasting aids sold direct to precasters in the US and Canada; and, StructureCare®, an after-market parking garage maintenance and repair/restoration business.

To enhance its industry leadership position, High Concrete's focus on finding precast concrete solutions for customers' cost, schedule and performance problems has recently intensified to focus on new products and an upgraded new product development process.



## CHRISTOPHER W. MILLER

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Christopher W. Miller, Ph.D., NPDP is Founder of Innovation Focus, a new product discovery firm. He is a past President of the Product Development and Management Association, on the Board of the Pennsylvania College of Art & Design and an Ernst & Young Entrepreneur of the Year Award winner. Chris's primary focus is to

inspire deep customer understanding and meaningful innovation. Early in his career he was a Director with Phillips Electronics, Video Systems Group. He comes from an academic background and received his Ph.D. in Psychology from Case Western Reserve University where he studied the Life Long Learning patterns of technical professionals.

In addition to teaching in the Penn State ISBM Program Chris's User Centered Design, Discovery and Innovation Process and Hunting for Hunting Grounds approach is documented and referenced in over 200 significant articles, chapters, manuals, and books. Dr. Miller developed the Focused Innovation Technique™ based on highly successful personal problem-solving styles in the 1980's. The Focused Innovation Technique has been credited with a diverse set of service and business solutions within organizations such as Hershey Foods, Kraft, SC Johnson, AARP, Chase Banking Services, Honda, The Health Care Resource Conservation Coalition as well as DuPont, Merck, Johnson & Johnson, Kimberly Clark, Bristol-Myers, AstraZenica and many others.



**INNOVATION**  
**F O C U S**®

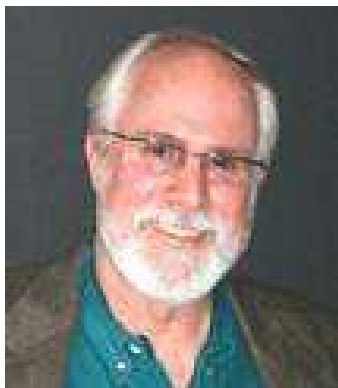
Innovation is creating a foundation of knowledge and preparing your team to act on that knowledge. To impact your business, innovation efforts need to result in something tangible that will delight customers and drive sales: things like products, packaging, services, new customer experiences, and new business models. It is only through the creation of a tangible reality that innovation succeeds.

Getting a team deeply in the innovation effort is necessary for breakthroughs to emerge. At Innovation Focus we provide a highly collaborative and interactive process that inspires your team to become the advocate for the knowledge and ideas created during your discovery. We have learned from experience that the team that is involved in the act of creation is more likely to implement it.

**In service to  
inspire deep  
understanding  
and meaningful  
innovation**

Innovation Focus provides an approach that helps transform insight into action and places the consumer front-and-center throughout ideation and concept creation.

For over 25 years we have been building our experience in the front-end of innovation and the product design and development process. We pride ourselves in providing a world-class project experience that utilizes proven creative methods supported by analysis. We have led over 3000 client projects across a diverse range of industries. Approximately 40% of our projects could be categorized as consumer products (e.g. medical and other durables, heavy equipment, medical and other consumables, packaged goods and electronics). Of the remaining 60%, a majority of engagements have a consumer-oriented component (e.g. airlines, communications, financial and medical services).



## KEVIN L. MILLER

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Kevin L. Miller is a Senior Consulting Facilitator and Artist with Innovation Focus Inc. He is best known among Fortune 500 work groups for his rapid image artwork in group idea sessions and task posters and art boards before and after those efforts, to help teams visualize their ideas and make them real. He also facilitates

many of those ideation sessions and serves as a speaker, writer, creative process trainer and designer and moderator of developmental focus groups and ethnographic market research projects in hundreds of homes and offices. In his 20 years with Innovation Focus, Kevin has captained, facilitated, and illustrated scores of strategic planning efforts, as well as ideation retreats to invent new products, and to name, position and market them.

After selling his big house in the Philadelphia suburbs a few years ago, Kevin now lives, works and makes art on 10 acres of secluded woodland in the heart of Amish farm country. In his spare time he is painting and exhibiting his work, converting a 150-year-old barn into an art gallery and rebuilding several old houses at Sawmill Run, while tending his 12 chickens, 6 dogs, 4 talking parrots, and 80 2-foot koi in the half-acre pond. Kevin's favorite recreation is to hike from his front door, along the rushing stream, through the beautiful adjacent 78 acres of PA state game land to the Susquehanna River at Lake Aldred and back again. "The woods are lovely, dark and deep" but Kevin has promises to keep, and miles to go before he sleeps... (with apologies to Robert Frost.)

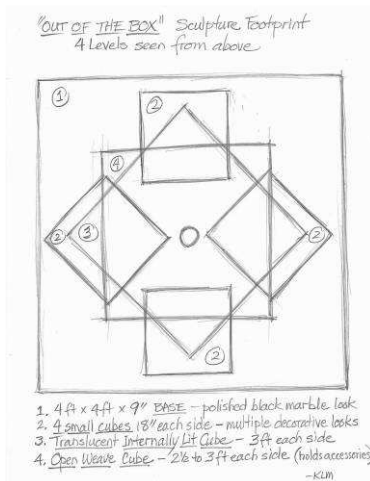
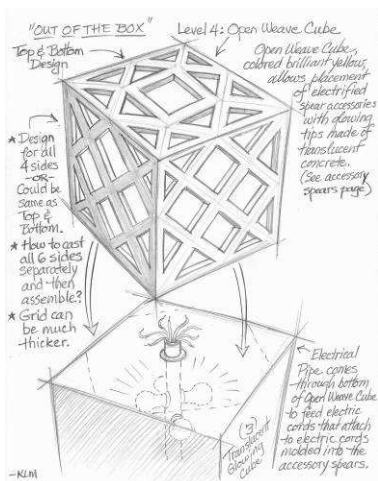
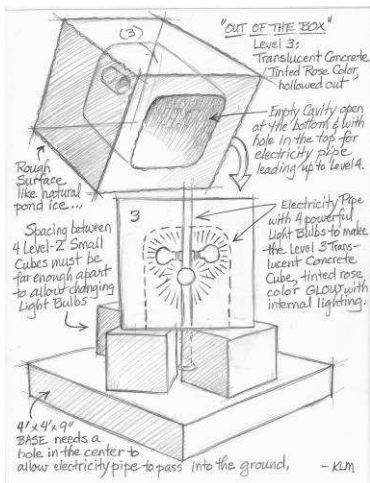
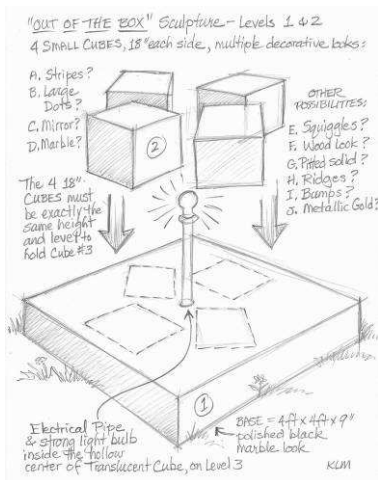
# ABOUT THE ART

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The "Out of the Box" sculpture concept was designed in response to Gary Graziano's suggestion that we want the viewer to look at it and say, "I didn't know you could do that with concrete!" If it were built, therefore, it would serve as a demonstration piece for High Concrete to show, in a fun way, many of their surprising innovations in concrete. The design is built on the general idea of getting up and out of the box when reaching for innovation. Although the "black marble" polished concrete base is only 9" thick, I think of it as being an entire 4 foot black cube, mostly buried underground, which is where all ideas start. It evolves upward to the four colorful but opaque small cubes that are entirely exposed above ground. Those are narrowed down and refined into one large transparent glowing colored cube. As we continue up the sculpture, the boundaries of that cube begin to disintegrate into an open weave as myriad creative impulses explode, with glowing spear tips, out of the open weave cube. I like to think of them as projectiles that continue into space and infinity.

The sculpture concept is electrified, requiring that an underground electrical cord be threaded through the center hole in the base and up through levels 2 and 3 (where the translucent concrete cube is intensely lit from inside,) into level 4, where the wires would feed electricity through concrete or anodized aluminum poles to the glowing spear tips. The electrification of the sculpture could also stop with the one large glowing cube on level 3 or electricity could be eliminated altogether. However, the glowing sculpture parts would effectively highlight the translucent concrete if that large cube could glow from within, eliminating the need to train floodlights on the sculpture after dark. The element of light, again, is intended as an analogy for the fact that even in the dark good ideas glow and help us to find our way and see what else might be hiding in the shadows.

# COVER SKETCHES





## NOAH P. MILLER

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Noah P. Miller, M.A. is a Market Research Analyst and Associate with Innovation Focus Inc. His primary responsibility is to support primary and secondary qualitative and quantitative research projects and integrate these findings into our innovation efforts. He is also a support facilitator and field researcher, moderator and interviewer.

Noah further supports IF Real Estate as the Property Manager looking for innovative ways to generate capital and create a safe and comfortable work environment for the IF family of companies.

Noah has three years of academic research experience. Prior to joining Innovation Focus as a full time member of the team, he worked with IF in many different roles. He spent several summers interning, participated in projects, and has seen IF grow from its inception. He was a significant contributor to the New Jersey Transit Community Involvement program. He has also been a session participant with Prudential, Teledyne WaterPik and Binney & Smith (Crayola).

Noah graduated from University of Delaware in 2007 with a degree in Psychology and Criminal Justice. From there he proceeded to the University of Maryland, College Park where he earned a Master's degree in Criminology and Criminal Justice in August of 2009. Noah is a life long learner and looks forward to growing with Innovation Focus and eventually pursuing a Ph.D. to fulfill his life goal of teaching others and creating knowledge.

Noah brings energy and enthusiasm to everything he does. He enjoys learning new ways of tackling old problems, fixing things, trying new hobbies, and dogs. Regardless of what he is doing, down time is an opportunity to do one, all, or something completely different from these interests.

# Contact Information

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## **Christopher W. Miller, Ph.D., NPDP:**

CEO & Founder of Innovation Focus

Innovation Focus	Office:	Web site:
Christopher Miller	717-394-2500x30	Innovationfocus.com
111 E. Chestnut St.	Fax:	E-mail:
Lancaster, PA 17602	717-394-3500	cwmiller@innovationfocus.com

## **Gary C. Graziano, AIA:**

VP of marketing for High Concrete Group LLC

High Concrete Group	Office:	E-mail:
Gary Graziano	717-336-9434	GGraziano@high.net
125 Denver Road	Personal:	garygraziano@gmail.com
Denver, PA 17517	717-723-1024	

## **Kevin L. Miller:**

Senior Consulting Facilitator and Artist

Home Office/Studio:	Home/Studio:	Web site:
Kevin Miller	717-927-9405	<a href="http://KevinMillerArtandJunk.WordPress.com">http://KevinMillerArtandJunk.WordPress.com</a>
87 Sawmill Road	Cell:	E-mail:
Brogue, PA 17309	215-837-8171	Kevin@AllenMillerArts.com

## **Noah P. Miller, M.A.:**

Market Research Analyst and Associate

Innovation Focus	Office:	Web site:
Noah Miller	717-394-2500x31	Innovationfocus.com
111. E Chestnut St.	Fax:	E-mail:
Lancaster, PA 17602	717-394-3500	nmiller@innovationfocus.com



**INNOVATION**  
**F O C U S**®

Christopher W. Miller, Ph.D., NPDP  
111 E. Chestnut St.  
Lancaster, PA 17602  
717-394-2500

**ii HIGH CONCRETE STRUCTURES, INC.**

Gary C. Graziano, AIA  
125 Denver Road  
Denver, PA 17517  
717-336-9434 • 717-723-1024

**BUSINESS @ BUSINESS**

M A G A Z I N E S

Ted Byrne  
1525 Oregon Pike, Suite 1502  
Lancaster, PA 17601  
717-481-2960 • 610-685-4900