

## INNOVATION • Helping small businesses think big

# Ideas put through ringer

### HOW THE PROCESS WORKS

Small businesses often need help coming up with new product or service ideas. Missouri Enterprise offers a process that can help.



**1** Burt, a certified growth coach, meets Nelson, the CEO of Widge Co.



**2** Burt meets the rest of the Widge Co. team to assess the company's culture and conduct a readiness survey.



**3** Burt has his team analyze the results of the survey. The data tell Burt how to deal with Widge Co. heading into the upcoming brainstorming session.



**5** Burt has the four ideas loaded into a computer for analysis. The computer predicts the probability of success for each idea then a team of experts does a final review.



**4** Burt and the Widge Co. team generate as many new product ideas as possible during the brainstorming session. At the end they narrow the field to four.



**6** Burt returns to Widge Co. with the two ideas that have the highest probability of success and assigns two people from the team to evaluate the ideas further.



**7** After the 30-day evaluation process is over, the research is presented to the rest of the Widge Co. team, and if the probability of success is high enough the ideas are implemented and taken to market.

# Nonprofit group steps in to make Eureka! program more affordable.

By Christopher Boyce  
ST. LOUIS POST-DISPATCH

Small and midsize manufacturers can hit a cap on their growth when they don't have the budget to develop new products or services and seek new markets.

And even when money isn't a problem, there can be other issues. Companies may initially find success selling a new product, only to discover later that production or marketing costs keep them from earning a profit on those sales.

But a new consulting program has emerged to encourage smaller companies to think big and take calculated risks at a discount price.

Originally designed for big businesses, the program, called "Eureka! Winning Ways," has been retooled to help smaller manufacturers develop new ideas.

The program has a basic premise: Managers and owners evaluate their business and develop new ideas for products and services. Then those ideas are put to the test by a consultant, the company's managers and a computer program that calculates the probability of success.

Eureka! was developed by

consultant Doug Hall in 1986. Last year, Hall's Cincinnati-based Eureka! Ranch adjusted the program's principles for small businesses.

Smaller companies usually don't have access to such consulting programs because they can't afford fees that easily top \$100,000 for just a few days of work.

Enter Missouri Enterprise, a nonprofit group partially funded by the Missouri Department of Economic Development and the U.S. Department of Commerce to help small- and midsize manufacturers.

Missouri Enterprise trains its own consultants and starts the cost of the eight-week program at \$12,000.

Missouri Enterprise already has put several companies in western Missouri through the program and is just getting started in eastern Missouri, said Rick Winkler, a project manager with Missouri Enterprise and the group's Eureka! consultant for eastern Missouri.

Winkler, an engineer by trade, said he was skeptical of consultants who lead brainstorming sessions. But Eureka!, he said, provides a structure that goes

PLEASE SEE EUREKA | C4

EUREKA | FROM C1

## Innovation process all begins with extensive questionnaire

○ beyond blurting out ideas to someone at a chalkboard.

"It really filters out a lot of that stuff," Winkler said. "It gets them looking at something that's realistic and that the company can achieve."

Most of the program requires the full involvement of upper management and owners to ensure that generated ideas are acceptable and possible to accomplish.

It starts with a 90-minute pre-assessment session where managers and owners work through an idea generation booklet filled with questions about the state of the company and its workplace culture.

The results of the questionnaires are processed by a computer, which, after five days, returns a profile of the company's characteristics.

With that information in hand, the managers meet again to spend a day generating ideas. A session leader, such as Winkler, facilitates conversation as the managers and owners fill out note cards with their ideas. Each person looks through the ideas and writes comments about them.

The group is assigned to whittle as many as 50 ideas down to four. Winkler said managers are told not to write their names on their ideas or comments.

Anonymity keeps people from supporting or rejecting an idea based on whom it comes from.

The ideas are then run through a computer program that compares them with more than 4,000 other cases with known outcomes. The computer uses 23 factors to measure the new ideas against its pool of past ideas, including a company's general profile and market conditions.

The computer uses the data to calculate the probability of success for the ideas and suggests the two most likely to succeed.

The group spends a day discussing the results before assigning two people from the management group to act as project managers to investigate the ideas over a 30-day period with support from Missouri Enterprise.

Winkler said 98 percent of companies come out of the process with at least one idea worth attempting. Success isn't guaranteed, but the program is more about minimizing risk and learning in the process. Or as the program teaches, "Fail fast. Fail cheap. Get smart."

The computer "is a better predictor of difficulty, or the probability of failure, than success," he said. "Maybe you've got this great concept, but what's important to know is what's going to shoot it down."

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