



Experiment with ideas

Reducing risks and getting closer to what the market expects

At first, it is not easy to say whether a new idea (which is usually elementary and simple) will be a success or simply an idea without a future.

Innovation is associated with uncertainty, in short, risk. But since innovation does not mean being reckless, before launching any innovation – especially the most innovative and radical – explorations/experiments must be carried out that allow us to eliminate uncertainties and bring us closer to the solution that the market expects, in short, to eliminate risks.

Such experiments will help us answer questions such as: which product/service configuration will be most accepted? In which markets, what pricing schemes should be applied? what distribution channels to use?, etc. The greater the degree of uncertainty, the greater the number of experiments to be carried out.

With this approach, we turn experimentation into another activity within the innovation project.

Advantages of including experiments in our projects

This methodology allows us to **1) minimize the risk of innovation**, since the solution that is finally launched on the market will be the result of a set of *development, experimentation* and *learning activities* in which acceptance will have gradually been verified, uncertainties will have been reduced and therefore success will be further assured.

Regardless of whether the new product/service ends up being launched on the market or not, **2) the costs of development with experiments will always be lower than the costs of not carrying them out**, because if they are not carried out and finally when the product/service is launched it does not work or has to be modified, the total costs of the project will be higher than the costs of a project that has been adapting to real needs or that it has stopped long before failing to launch.

INNOVATION PROPOSAL



Exploring ideas/innovations

When we talk about experimentation, we are not referring to the performance of a market test (through focus groups), those that are carried out once the products/services have been developed and in which a *panel of consumers* participates by testing and giving their opinion on the characteristics of the products/services.

By experimentation/exploration we mean an actual market launch of these new products/services, in small, controllable environments. Products/services are tested directly with customers, allowing us to acquire a wealth of information regarding the product/service and learn about what works and what doesn't.

From these **experiments** in controlled environments, we will be able **to understand the bases and real opportunities of our innovation** and from here, we will be able to really consider (once the necessary adaptations have been made), the launch of the new product, service or business on a larger scale.

EXPERIMENTATION

