

## Finding A Fountain Of Youth For Your Aging Products

*While new products generate excitement, the development process can be lengthy, costly, and have great risk of failure. So here's some advice for re-energizing aging products.*

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Each year, my wife and I take our two children (ages 15 and 17) to Sarasota Florida for our traditional escape from the harsh Boston winters. My brother, his wife, and their two boys (ages 13 and 14) always join us. An important Florida ritual has always been our daily touch football game on the beach. And through the years, we played dads versus kids.

A funny thing happened as time passed. My brother and I got older while the kids got another year stronger and faster. The latest trip marked a turning point. For the first time, no matter how we modified the rules in favor of the dads; kids versus dads would have been no contest. While my brother and I keep ourselves in good shape for our age, we were no match for the younger legs.

Like fathers, products age as well. However, unlike fathers, products (with the right amount of attention) can be re-energized.

While not as exciting as a new product launch, re-invigorating an older product can have a significant impact on profits.

While new products generate energy and excitement, the product development process can be lengthy, extremely costly, and have great risk of failure.

So wouldn't it make sense to pump energy into aging products?

Even if excitement isn't your end goal, lengthening the product life cycle even by a few years can significantly impact profitability and corporate value. As the product matures, the market over time forgets the benefits and value which were communicated with zeal during the product launch phase. In that situation, one could pursue a "sunset" strategy in the product life cycle.

Prior to doing so however, one should re-evaluate the technology's value in the market place and determine if the product is still delivering differentiated benefits. Sometimes for the

mutual benefit of the company and its customers, the best approach is to re-invigorate and re-launch the product.

An example of successfully re-invigorating an older product was the work I did with the management at ATMI, a leading provider of materials used in semiconductor and life sciences manufacturing.

ATMI's flagship product, Safe Delivery Source (SDS), was the safest way to transport and utilize the hazardous gasses used to make semiconductor chips. SDS grew over the years to become a \$100 million product. Things went well for 10 years until a large competitor introduced a product for 30% less that they claimed was almost as safe as SDS.

The lower priced/lower quality competitor began to take market share from ATMI. Some at ATMI thought it was time to "kill" this product.

Working closely with Lou Blanchard, ATMI's head of marketing, we took a different approach. Together, we followed the following four steps to re-energize SDS.

- Connect with customers to re-evaluate the value the product delivers. We learned from in-depth customer interviews that health and safety professionals still saw value in the extra level of safety provided by SDS over the competition.
- Evaluate new ways that the installed base could receive even more value from the existing product which may not have been obvious in the early part of the life cycle. We realized that some of the hidden benefits provided by SDS were that factories could save on energy and construction costs.
- Consider minor modifications which may refresh or enhance the product's value proposition.
- Retrain and re-energize the sellers. Many of the current sales people and their customers were not around at the birth of SDS and had to be re-educated on how to sell the product. A significant amount of effort went into developing value-based sales training and creating effective sales tools.

Since ATMI as a public company does not break out SDS revenues, it is impossible to report the exact increase in revenues. However, Lou reports that these actions "significantly" strengthened market position.

I only wish there was a similar fountain of youth for fathers as they try to keep up with their children.

--Author [Neil Baron](mailto:nbaron@baronstrategic.com) can be reached at [nbaron@baronstrategic.com](mailto:nbaron@baronstrategic.com)