



Brian Christian

Viewpoint

“American Idol”— lessons in innovation

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Sometimes we forget that product development encompasses fields such as entertainment. In this column, the author gives us a humorous look at how one company created a very successful entertainment vehicle—one that might be considered an example of very successful new product development.

My wife and our two teenage kids have been devoted fans of “American Idol” for at least the last four of the show’s seven years. I’m sure you’ve heard of or seen this Fox network show where regular people vie to become the next big star—and some of them succeed. (See box on this page.)

I started watching the show midway through the 2007 season and like millions of other people before me, quickly got hooked.

We saw nearly every episode of the 2008 season, which ended in May. During one of the show’s episodes early in the 2008 season, I was struck by the realization that “American Idol” is a nearly perfect metaphor

“ ‘American Idol’ is a nearly perfect metaphor for a powerful approach to front-end innovation.”

for a powerful approach to the front-end innovation, or Front End of Innovation, that I was beginning to practice along with a collaboration partner.

Front-end innovation—what has sometimes been called the Fuzzy Front End—is the early first stage of new product development (NPD) in which a concept is deemed ready to enter the formal Stage-Gate® product development process. Typically, the front end consists of some effort to validate customer need as well as solution viability. It is a critical phase for new products. Once the formal Stage-Gate® process has begun, investment rises quickly and it becomes very difficult and expensive to turn back or change course.

The “American Idol” season is actually a 10-month process of which only the last four months are live televised events. The process starts with more than 10,000 aspiring singers entering the “funnel” through auditions in July and ends with one winner emerging 10 months later. (See Exhibit 1 on this page.)

The powerful innovation lessons from the “American Idol” lie in the way the show finds and develops the best singing talent in America. In my NPD metaphor, the show’s contestants represent new ideas (product, service, business model, and so on). The show provides us with six principle lessons for front-end innovation.

What is “American Idol”?

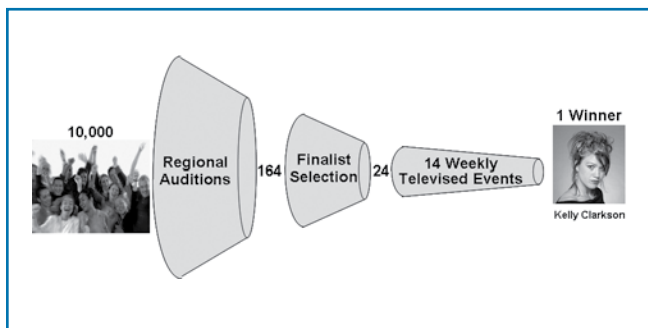
A weekly reality-competition television program, “American Idol” has aired on the Fox network in the United States since 2002. The format of the show is from “Pop Idol,” a television program from the United Kingdom that originally aired in 2001. “American Idol” seeks to discover the best singer in the United States through a series of nationwide auditions. (Contestants cannot have current record deals or talent management agreements.) They must be U.S. citizens or permanent residents and 16 to 28 years of age.

The competition starts each July in a handful of cities. By the time the competition gets to the semifinals in January of the following year, the number of contestants has winnowed down from more than 10,000 to 24, who principally compete in the television season. The show eliminates one or more contestants each week until a winner is chosen in May. By the time the winner emerges, that individual will have performed several times in front of a panel of judges and 14 times in front of a large live audience and millions of television viewers worldwide.

In the early stages, advancement to the next round of competition is determined by a panel of three judges—a record producer, a pop singer, and a music industry executive—who critique the contestants’ performances. In the later stages, advancement is determined by the public voting via phone, although the judges still provide their critiques to the viewing audience. Typically, 50 to 100 million votes are cast at the end of each weekly competition.

As the singers progress through the competition, they evolve from relatively raw talents to smartly dressed, vocally talented, stage-trained, and professionally confident performers—well prepared for a successful music career.

Exhibit 1: The “American Idol” Innovation Process



SOURCE: DASO Consulting and Inovo Technologies

Lesson 1:
All ideas are welcome

In the show, the only requirements of contestants are that they must be between the ages of 16 and 28 and cannot currently be under contract with a recording company. There are no filters at the beginning regarding one's star potential. There are no pre-screens. All aspiring singers are welcome. No professional credentials or admission fees are required. With this policy the producers of "American Idol" are saying that they know that the best talent

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can be hidden underneath peculiar clothing, unflattering makeup, an untrained voice, and so on. They understand that great talent sometimes does not appear in its finished state but must be developed. Similarly,

great business ideas evolve during the creative process. Arbitrary upfront screening processes that reject ideas before they have a chance to be given an audience and some deliberation are subject to "false-negative" error. Great ideas are often left behind right at the outset, victims of an arbitrary selection process.

Lesson 2:
A rigorous, iterative discovery process is employed

By the time the "American Idol" winner is declared, this young man or woman will have performed 17 times, the last 14 before a live television audience. Each week, the contestants have one week to prepare for the next performance. As the season progresses, the media attention builds, which increases the demands on the contestants' time and raises their stress levels. This pressure-cooker environment finds out which contestants have the commitment and fortitude to endure the demands of a professional singing career. In the same way, a good front-end innovation process should put ideas through a rigorous, iterative discovery process to see which ones can survive the demands of successful innovation—strong customer need, technical feasibility, economic feasibility, no patent barriers, no superior alternatives.

Lesson 3:
Selection is based on the wisdom of crowds, not just experts

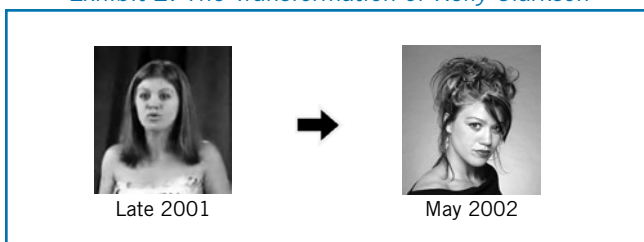
To determine who gets eliminated, "American Idol" employs phone-in voting by the viewing public. In Web 2.0—speak, this is called the wisdom of crowds. For the show, it is the perfect solution because, in the end, this is the same public who will decide

whether the winner will truly become an entertainment industry star. In the same way, the public is often the best judge of whether an innovative product or service will be a real-world winner. Front-end innovation should include a mechanism for capturing the wisdom of the crowd in the idea selection process. This public voice provides a critical balance to the typically overweighted voice of the internal experts, who are very experienced and technically knowledgeable but carry strong biases from previous successes and failures.

Lesson 4:
Critical feedback is provided throughout the process

Each week, the remaining contestants are subject to a fresh round of criticism and public acceptance or rejection. The panel of judges provides direct on-air feedback and represents the voice of the experts. In addition, the contestants learn whether the crowd (the voting public) likes their performance. In the worst case, they finish last and drop out of the contest. But two other contestants will finish in the bottom three, gaining a valuable lesson that their performance was not well liked. In addition, during their week-long preparations, the contestants receive professional direction on their singing, wardrobe, makeup, stage presence, and so on. In essence, they are evolving into music industry stars. Likewise, in a good front-end innovation process, ideas are not just getting screened in or out through the process but are evolving through investigation and discussion into better ideas.

Exhibit 2: The Transformation of Kelly Clarkson



SOURCE: The Author; photos from Wikipedia.com

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Lesson 5:
What you end up with is not what you started with

The stars that emerge from the show's rigorous, iterative, feedback-laden process bear scant resemblance to the talented but unrefined contestants that entered it nine months earlier. Let's take a look at Kelly Clarkson, winner of the 2002 season. (See Exhibit 2 on page 12.)

The photo on the left shows Clarkson as the contest was starting. The photo on the right shows Clarkson on the verge of becoming one of the most

acclaimed and successful singers of this decade. It's not just about appearance, however. By the end of the contest, she also had more singing ability, stage presence, self-confidence, and public appeal.

In this metaphor, the "idea" on the left would not have been a marketplace success. Somewhere inside this idea may have been a compelling customer need and aspects of a powerful solution. We might have spent millions of dollars promoting this product but the public would not have seen the hidden value. Alternatively, we could subject this idea to a series of investigations, reviews and debates and evolve toward the "idea" on the right. This idea is worth investing millions of dollars because its odds of success are much higher.

“The show provides us with six principle lessons for front-end innovation.”

Lesson 6:
The real investment begins when the show ends

For the owners of the "American Idol" franchise, music talent agency 19 Entertainment, the real investment in the talent begins when the show ends. With a nearly guaranteed entertainment-industry star on its hands, the agency will now start to invest in the promotion of its star. The risk of a bad investment has been dramatically reduced. In the same way, the real investment in product development begins at the end of the front-end process. Millions of dollars will be spent on engineering, prototypes, market testing, building inventory, and launching the new product. This lesson emphasizes the power and value of improving the odds of success through the front-end process.

Perhaps the most remarkable aspect of the "American Idol" innovation story is how 19 Entertainment has turned a traditional cost center—finding and developing talent—into a huge profit center that, by the way, delivers ready-made music industry stars to its talent agency business. As avid viewers know, this talent pipeline is not limited to just the one winner each year but includes many of the performers that finish each year among the top 10 or twelve. This should open the eyes of even the most resolute business executive to the transformative power of business model innovation. ■



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