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## Who Is Going To Buy The Darn Thing?

Invest MORE IN MARKETING Than In Engineering To Find Out! Institute of Electrical and Electronic Engineers (IEEE) Originally published in the Proceedings of the IEEE Electro International, June 21, 1995 pages 69-97 http://marketingVP.com/download/whois.pdf

Why do some new products take off, while others don't sell at all? What is the origin of super success or flaming failure? Marketing is a process of ascertaining needs which customers are willing spend money to satisfy, thus guiding engineering to design the right products. How much shall we invest in marketing to enable commercial success, and when?

A new metric has been developed to answer these questions, the Marketing/Engineering Investment Ratio<sup>TM</sup> (M/E Ratio<sup>TM</sup>). This model separates marketing from the functions of promotion and selling. Formulating a ratio of marketing to engineering installs marketing concurrently with engineering, and sizes the marketing budget with a readily identified number (engineering investment).

The IEEE will hear evidence to confirm the recommendation that technology-based enterprises invest MORE IN MARKETING than in engineering. Super successes are seen in this survey with an average M/E Ratio $^{\text{TM}}$  of greater than 1, investing more than one dollar in marketing (exclusive of promoting and selling) for every dollar invested in engineering. Every flaming failure suffers from a M/E Ratio $^{\text{TM}}$  of 0.1 or lower.

Examples will be revealed from diverse technologies; software, machine vision, medical, semiconductor equipment, and instrumentation, to deliver practical advice on dealing with the pitfalls of new ventures. The implication for technology-based enterprises is a fundamental shift in management attention and investment commitment toward decisive, up-front marketing.

## Marketing \*/Engineering Investment Ratio ™ •••

(\*) excludes promoting and selling

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*Flaming* Super ‡ Failure Success Infinity Inf

## Financial and human impact:

> 1 Trillion dollars > 400,000 jobs created or lost > 150,000 engineering slots developed or gone

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.1 Molten Metal '97
.1 Optra, electro-optic sensors - 88 SBIR '84-'95
.1 Keithley Metrabyte, data acquisition Taunton MA '93
.1 MRS Technology, FPD lithography '86-'97
.1 Hampshire Instruments, X-ray stepper '91-'92
.2 Essential Research, vacuum system CAD '90-'93
.09 RVA Technology, software '82-'85
.07 StarGen, fabless semiconductors '99-'06
.07 Orchid BioSciences, genotyping '98
.07 Veeco, wafer particulate detector '85
.07 Keithley Instruments, Cleveland OH '93
.07 GCA '81, semiconductor stepper
.06 GCA '92
.05 Brooks Automation, semi robots '77-'85
.05 Hampshire Instruments, '84-'90
.05 ITRAN, machine vision '79-'93
.05 Varian Associates, IMPATT microwave oscillators '69
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.04 Object Databases, software '92
.04 Polaroid, instant photography '90s
.037 Machine Technology (MTI), semi track '93
.038 Micronix, X-ray stepper '81-'87
.03 Evidian USA, enterprise software (2) '92-'96 & '00-'02
.03 KSR, supercomputers '86-'95
.03 Evidian USA, enterprise software (2) '92-'96 & '00-'02
.03 KSR, supercomputers '86-'95
.04 Cisco, Internet routers '00
.05 Cuarterdeck, operating system (OS) software '90s
.07 Luminus Devices, LED lighting '10
.015 Cetacean Networks, real-time Internet & VoIP '00-'04
.014 Fusion Lighting, lighting '91-'02
.015 Genuity, Internet '98-'00
.016 electronics & instrumentation, AMA, '53
.012 HyperDesk (FTP), Internet groupware '92-'95
.01 Becton Dickinson (BD), Telocate patient location '73-'77
.01 DataMedix (bought BD division), early '80s
.01 Physical Sciences (FSI), > 200 SBIR '84-'95
.01 Kerox, copiers '94-'02
.02 Thinking Machines, supercomputers '90-'94
.007 Lotus, office software '90s
.007 Nortel, telecom '67-'03
.002 SAL, X-ray stepper '81-'00s
.001 WANG Laboratories, PCs & minicomputers '84-'91
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