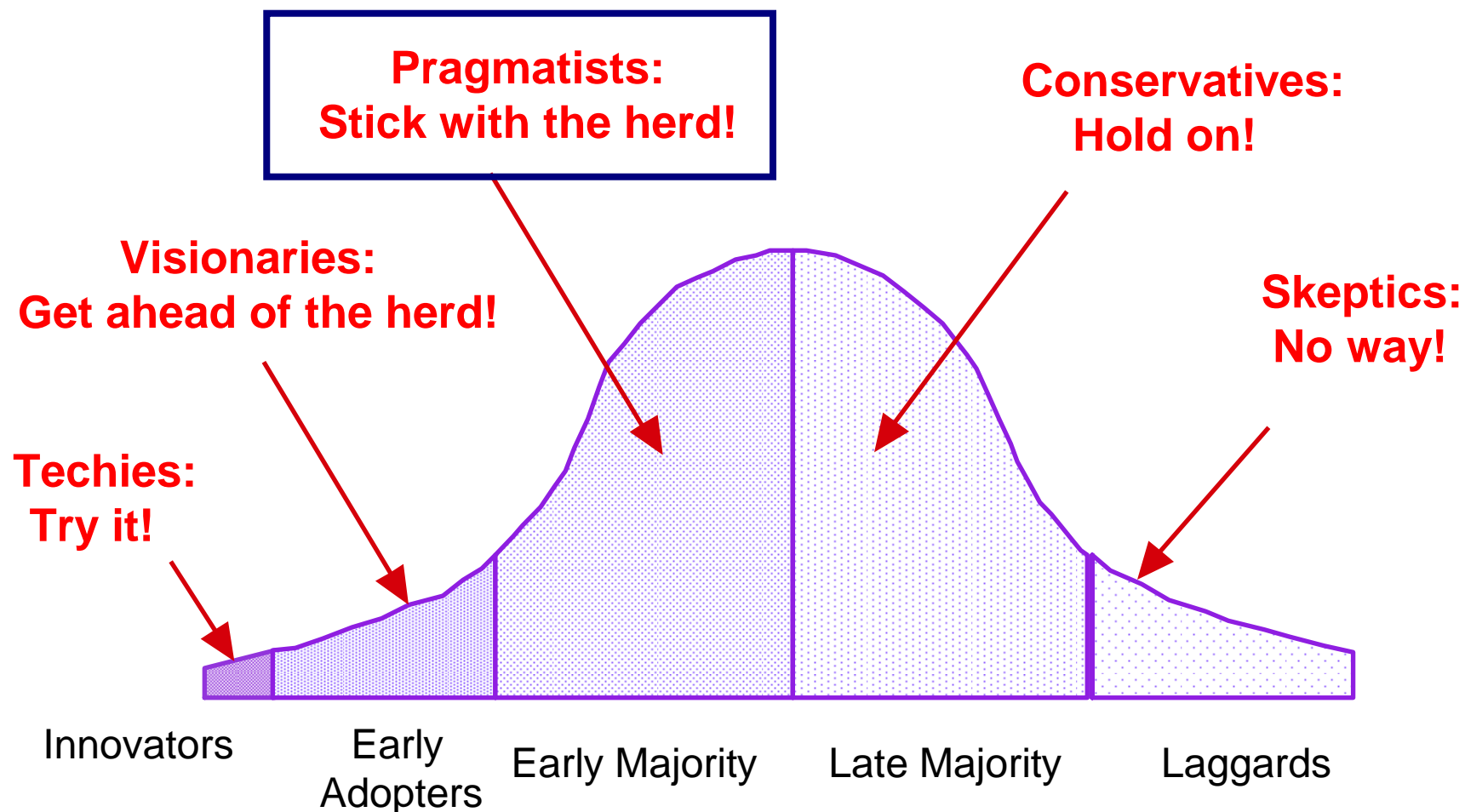# Crossing the Chasm

Part 1: Describing the Chasm

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Managing Director
NDIA 2009 Robotics Conference

Technology Adoption Life Cycle

**Pragmatists:
Stick with the herd!**

**Conservatives:
Hold on!**

**Visionaries:
Get ahead of the herd!**

**Skeptics:
No way!**

**Techies:
Try it!**

Innovators   Early Adopters   Early Majority   Late Majority   Laggards

Pragmatists create the dynamics of high-tech market development.

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Innovators - Technology Enthusiasts

- **Primary Motivation:**
  - Learn about new technologies for their own sake
- **Key Characteristics:**
  - Strong aptitude for technical information
  - Like to alpha test new products
  - Can ignore the missing elements
  - Do whatever they can to help
- **Challenges:**
  - Want unrestricted access to top technical people
  - Want no-profit pricing (preferably free)

Early Adopters - The Visionaries

- **Primary Motivation:**
  - Gain dramatic competitive advantage via *revolutionary* breakthrough
- **Key Characteristics:**
  - Great imaginations for strategic applications
  - Attracted by high-risk, high-reward propositions
  - Will commit to supply the missing elements
  - Perceive order-of-magnitude gains — so not price-sensitive
- **Challenges:**
  - Want rapid time-to-market
  - Demand high degree of customization and support

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Early Majority - Pragmatists

- **Primary Motivation:**
  - Gain productivity improvements via *evolutionary* change
- **Key Characteristics:**
  - Astute managers of mission-critical applications
  - Understand real-world issues and tradeoffs
  - Focus on proven applications
  - Like to go with the market leader
- **Challenges:**
  - Insist on good references from trusted colleagues
  - Want to see the solution in production at the reference site

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Late Majority - Conservatives

- **Primary Motivation:**
    - Just stay even with the competition.
- **Key Characteristics:**
    - Better with people than technology
    - Risk averse
    - Price-sensitive
    - Highly reliant on a single, trusted advisor
- **Challenges:**
    - Need completely pre-assembled solutions
    - Would benefit from value-added services but do not want to pay for them

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Laggards - Skeptics

- **Primary Motivation:**
  - Maintain status quo.

- **Key Characteristics:**
  - Good at debunking marketing hype
  - Disbelieve productivity-improvement arguments
  - Believe in *the law of unintended consequences*
  - Seek to block purchases of new technology

- **Challenges:**
  - Not a customer
  - Can be formidable opposition to early adoption

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Model Breaks Down at a Key Transition
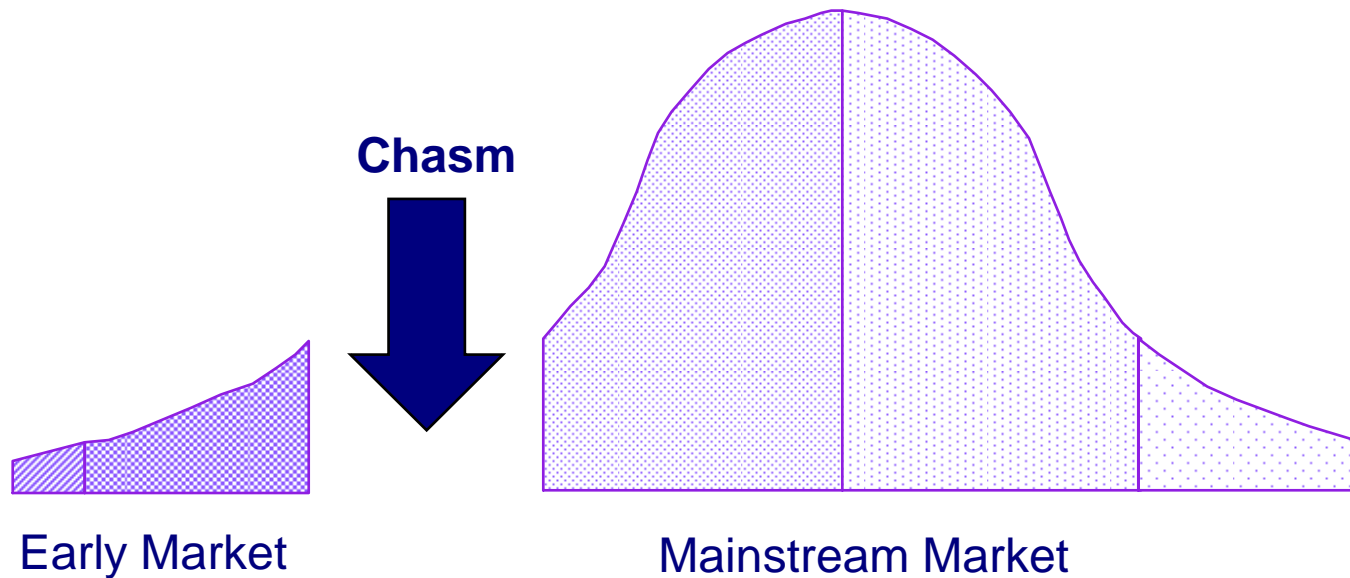
Visionaries	vs.	Pragmatists
• Adventurous		• Prudent
• Early buy-in attitude		• Wait-and-see
• Think big		• Manage expectations
• Go it alone		• Maintain relationships
• Spend big		• Spend to budget
• First strike capability		• Staying power
• Think Pragmatists are pedestrian		• Think Visionaries are dangerous

Pragmatists don't trust visionaries as references

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Discovering the Chasm

Chasm

Early Market

Mainstream Market
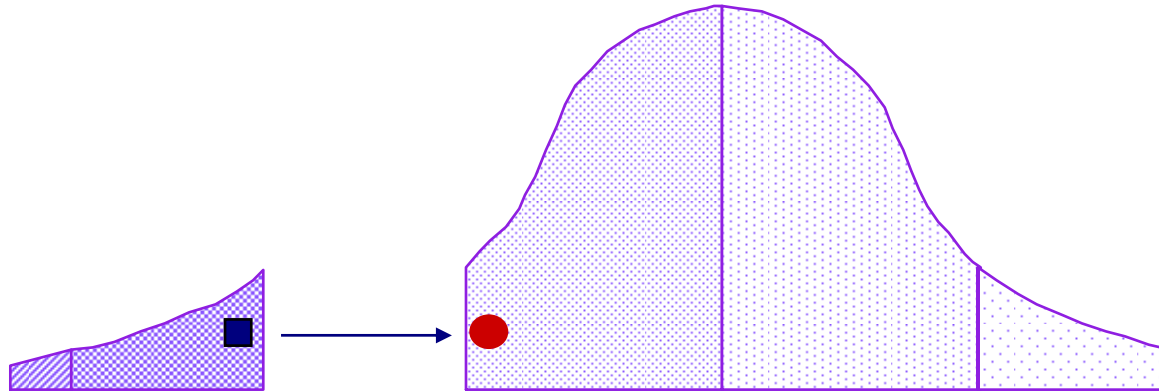
- **Visionaries don't see enough of a head start**
  - Too late to be the first one
  - Too easy for "fast-followers" to catch up
- **Pragmatists see no reason to start yet**
  - Too early for anything to be "in production"
  - Reliable reference community has not yet formed
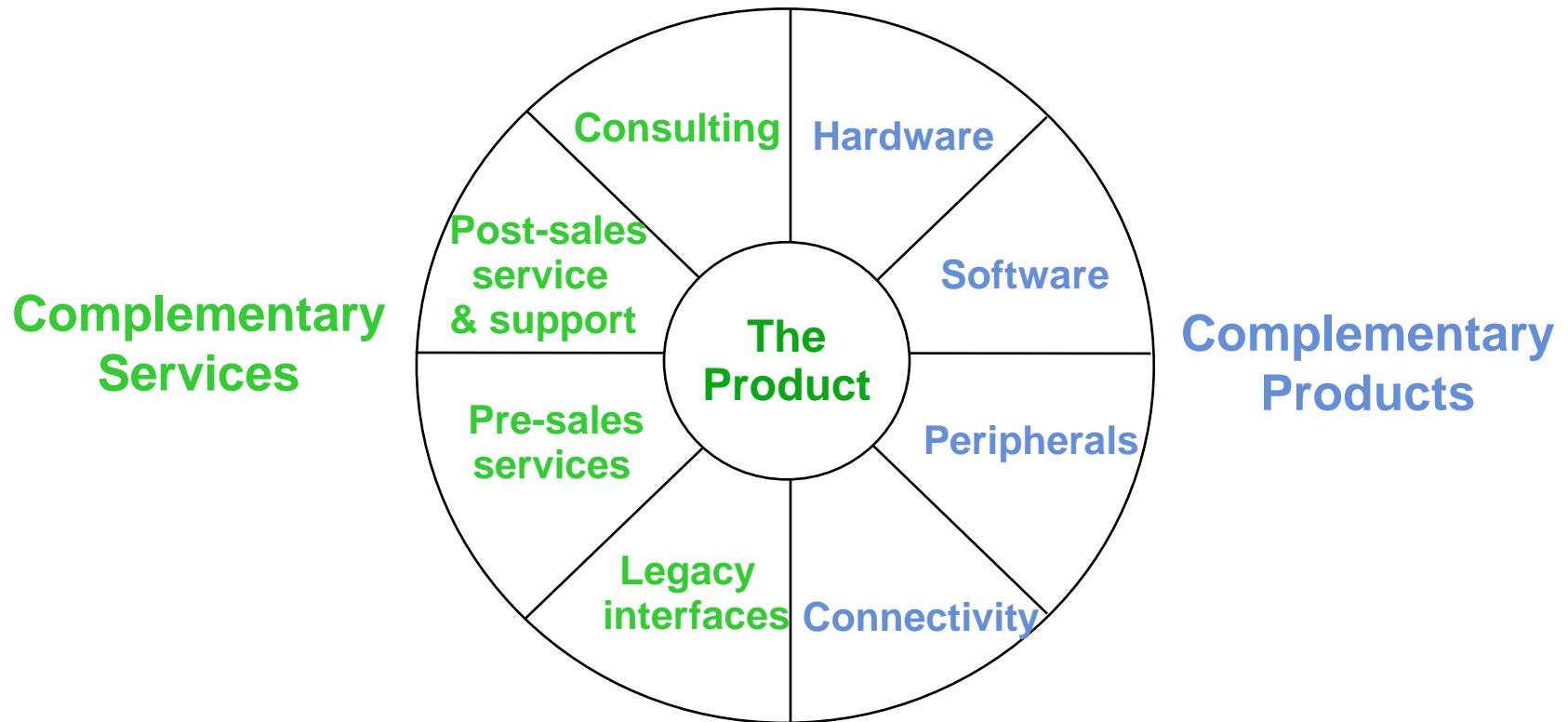
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Crossing the Chasm

- **Product vendor's problem**
  - 80% of many solutions—100% of none
  - Pragmatists won't buy 80% solutions
- **Most common vendor mistake:**
  - Committing to deliver the top 10 enhancement requests
  - But never *finishing* any one customer's wish-list
- **Solution**
  - Focus on a single beachhead
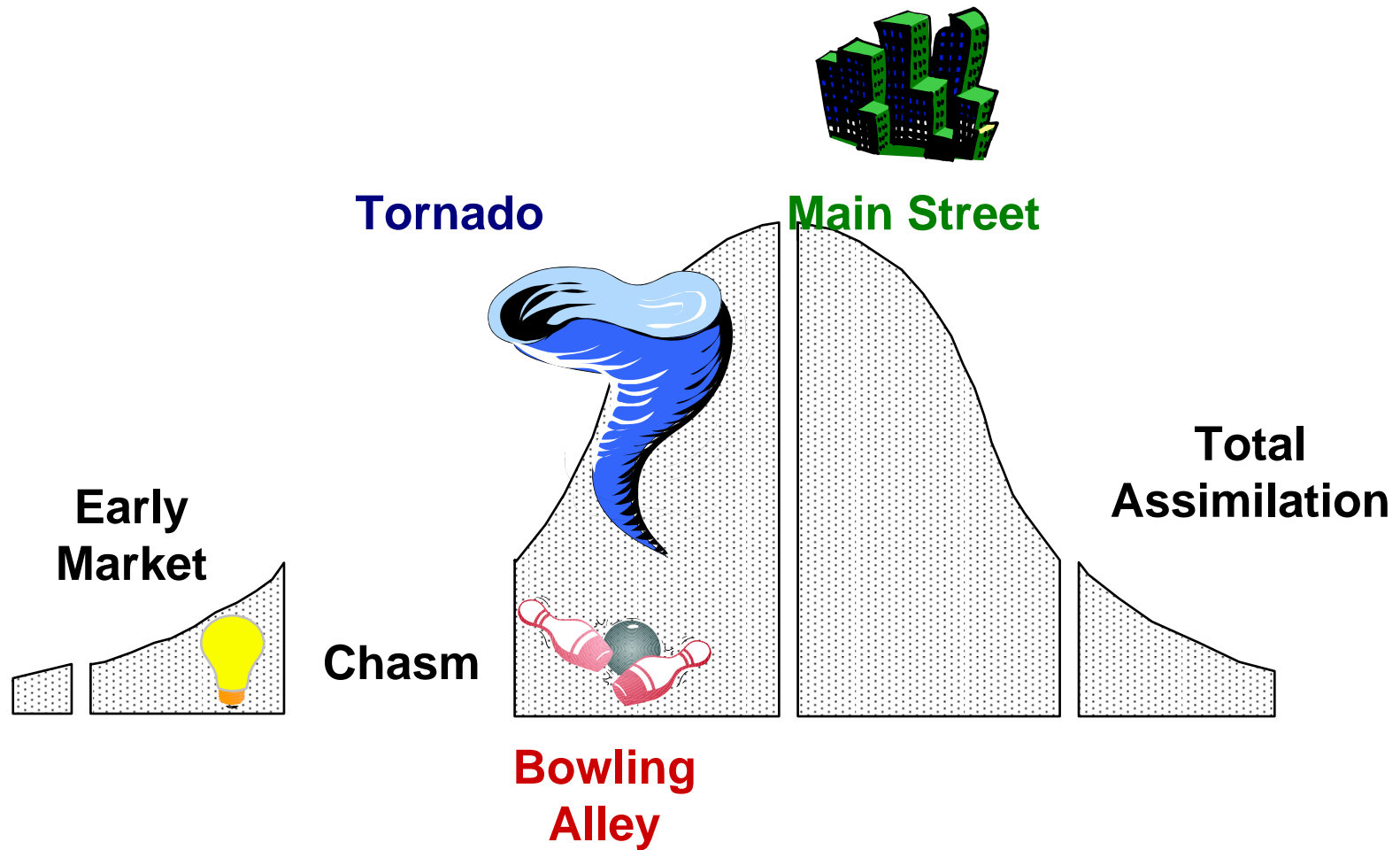 - Accelerate formation of that segment's whole product

Pick one list and finish it
Take one target segment "all the way to bright"

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Focusing on the Whole Product

Consulting · Hardware

Post-sales service & support

Software

Complementary Services · **The Product** · Peripherals · **Complementary Products**

Pre-sales services

Legacy interfaces · Connectivity

The whole product is the minimum set of products and services needed to fulfill the target customer's compelling reason to buy.

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Technology Market Development Model

Tornado

Main Street

Early
Market

Total
Assimilation

Chasm

Bowling
Alley

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Early Market:
The Project Model

- **Target Customer**
  - Visionary executive with authority to create new budget

- **Compelling Reason to Buy**
  - Dramatic departure from the status quo

- **Whole Product**
  - Bespoke project unique to this customer's needs

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Crossing the Chasm:
The Solution Model

- **Target Customer**
  - Pragmatist executive with authority to redirect existing budget

- **Compelling Reason to Buy**
  - Address an urgent, mission-critical problem

- **Whole Product**
  - End-to-end solution to the urgent problem

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Inside the Tornado:
The Standard Product Model

- **Target Customer**
  - Pragmatist manager with authority to spend current budget
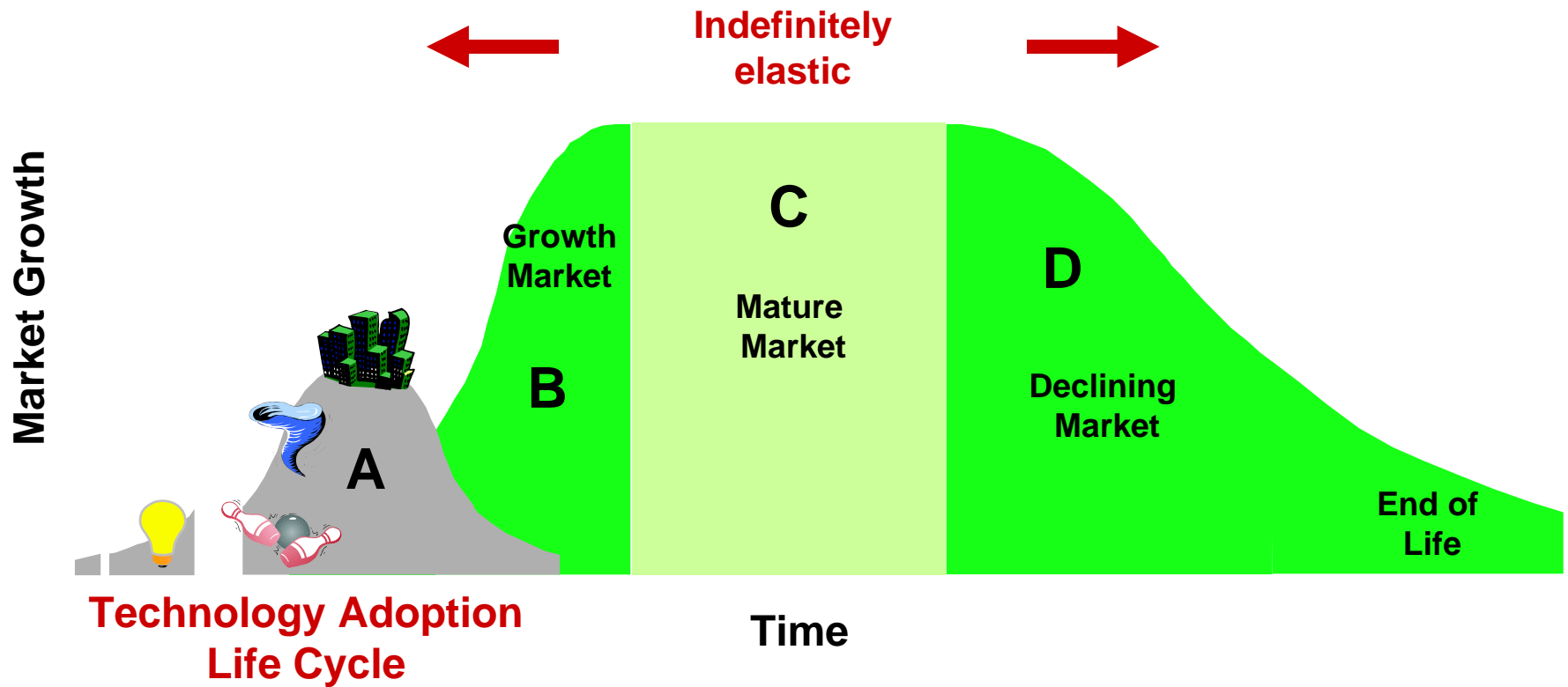
- **Compelling Reason to Buy**
  - Make existing organization more productive

- **Whole Product**
  - Standards-based systems that just work

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The Category Maturity Life Cycle
Putting Technology Market Development in Context

The Entrepreneur's Job

- **Create the early market**
  - Have the vision
  - Sell the project
  - Do the project

- **Cross the chasm**
  - Target a niche that is ready to move first ("pragmatists in pain")
  - Dig deep into the problem
  - Recruit an entire team to provide the whole product

- **Reach the tornado**
  - Compete fiercely to be number one
  - Recruit your replacement

Thank You

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