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Why More Proof of Concepts (PoCs) Don't Necessarily Lead to New Services

When Running PoCs Becomes an End in Itself

Many companies are conducting PoCs to explore new technologies and business opportunities. They test emerging technologies, collaborate with startups, and experiment with AI-enabled use cases. With multiple PoCs underway, an organization can appear to be actively pursuing innovation and making steady progress toward commercialization. But how many of those initiatives ultimately reach customers as commercially viable services?

In organizations where PoCs repeatedly fail to move beyond the validation stage, running PoCs can gradually become an end in itself. A PoC can be used to test not only whether something is technically feasible, but also whether it can deliver the intended outcomes and create meaningful value. Once a certain level of technical feasibility has been demonstrated, however, completing the PoC can itself begin to be treated as evidence of progress. The initiative may then end without sufficiently understanding how its intended customers would actually respond.

Over time, the organization may accumulate a growing track record of PoCs without necessarily moving closer to delivering real value to customers. Unless those efforts ultimately address who the intended customer is, what value the company is trying to provide, and whether customers actually want that value, they are unlikely to result in a commercially viable product or service.

If PoCs continue to multiply without producing tangible outcomes for customers, the issue is not whether the organization is running enough PoCs, but what each PoC is actually intended to establish and whether it is capturing the perspective of the customers it ultimately aims to serve.

Technical Validation Is Only Part of the Picture

Technical feasibility is often an important part of a PoC, but it cannot tell a company whether customers will value what is being created. Successful new service development also requires understanding whether customers are willing to pay for it and whether it delivers value that matters to them. A solution that works technically may still give customers little reason to use it. Similarly, a concept that is well received within the organization may receive a very different response in the market.

If this distinction is overlooked, a PoC may demonstrate technical feasibility and receive positive feedback within the company, only for the resulting offering to struggle to gain customer adoption once introduced to

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the market. If the organization considers those results sufficient and moves on to another technology or use case, the number of PoCs may continue to grow without bringing it any closer to delivering value to customers.

At some point, therefore, organizations need to move beyond controlled validation and begin delivering value to actual customers. The offering does not need to be fully developed. Once the technology or solution has reached a sufficient level of maturity, putting it in the hands of customers can reveal how they respond.

The longer an organization continues testing within controlled environments, the longer it delays learning directly from customers. Waiting for greater certainty also carries another risk: customer preferences may continue to change while validation continues. Further technical refinement alone cannot reveal where customers see value, what they reject, or how they will respond when they encounter the offering in practice.

New Services Take Shape Through Real Customer Interaction

Delivering value to customers does not always produce the expected response. Customers may find the offering difficult to use. They may see little value in features the company expected to matter. Some may choose not to use it at all. Yet these reactions, including dissatisfaction and rejection, provide valuable input into what needs to change. The company can use that feedback to revise its hypotheses and refine the offering before returning to customers.

This is particularly important because a PoC conducted largely from an internal perspective can end up focusing on questions the company itself has defined: whether the technology can be applied to its business, whether the concept works as expected, or whether there is enough evidence to make the case internally. These may all be legitimate questions, but answering them does not necessarily reveal how customers will respond. Real-world customer validation introduces a different perspective, exposing gaps between what the company believes will create value and what customers actually value.

Refining an offering within the organization is not a substitute for putting it in front of customers. If organizations continue running PoCs until they believe an offering is sufficiently ready for customers, they risk delaying the transition from validation to commercialization and customer value creation. Rather than waiting until the offering is fully refined, companies need to begin delivering value at an appropriate stage and learn from how customers respond.

How IGPI Can Help

Moving from PoC to commercialization requires more than technical or hypothesis validation. At the right stage, companies need to put their value proposition in front of target customers, learn from their response, and use those insights to shape what comes next.

IGPI supports companies throughout the new business creation process, from initial concept development

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and PoC through value delivery to target customers, iterative improvement, and commercialization. Our hands-on approach goes beyond strategy development, helping companies translate customer responses into concrete improvements and turn promising concepts into commercially viable products and services.

About the Author

Sakata Kohki, Partner of IGPI Group & CEO of IGPI Singapore

After joining Cap Gemini and Coca Cola, Kohki joined Revamp Corporation where he managed projects on global expansion and turnaround in various sectors including F&B, healthcare, retail, IT, etc. After joining IGPI, he has managed projects mainly on global expansion and cross border M&A in various sectors such as logistics, IT, telecom, retail, etc. In addition to his broad experience in implementing solutions that has been developed in Western countries, he has developed multiple methods to turnaround Asian companies with focus on setting clear vision and employee empowerment. Kohki has proven the practicality of these methods by turning around Asian companies not only as an advisor but also as senior management.

He graduated from Waseda University Department of Political Science and Economics and IE Business School.

Issued by: Industrial Growth Platform Pte. Ltd. (IGPI Singapore)
137 Telok Ayer Street #05-01 Singapore 068602
TEL: +65 6226 1524 URL: http://www.igpi.com.sg
Contact us: https://www.igpi.com.sg/contact-us/#sendenquiry
LinkedIn

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