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LEAD USER PROJECT HANDBOOK. A PRACTICAL GUIDE FOR LEAD USER PROJECT TEAMS

<http://www.esadecreapolisblog.com/philipe-delespesse-si-quieres-matar-una-idea-iorganiza-un-focus-group/>

Second Meeting
Bilbao, December 19th, 2011



Research Goals and Process

Lead user research is done in the initial phases of an innovation project for the purposes of identifying strong market opportunities and developing concepts for new products or services. Concepts are developed with direct input from "lead users." Lead users are individuals - or they may be firms - that are experiencing needs that are ahead of the targeted market(s). Often, they develop product or service prototypes to satisfy their leading edge needs that will be commercially attractive to firms (videogames ...)

The focus of lead user research is on opportunity discovery and concept generation.

A core project team carries out a lead user study with support from a number of other personnel. The research process is divided into four phases:

1. Selection of the Project Focus and Scope.
2. Identification of Trends and Needs.
3. Collection of Needs and Solution Information from Lead Users.
4. Concept Development with Lead Users.

It typically takes teams four months to carry out a lead user project.



Overview of Research Activities

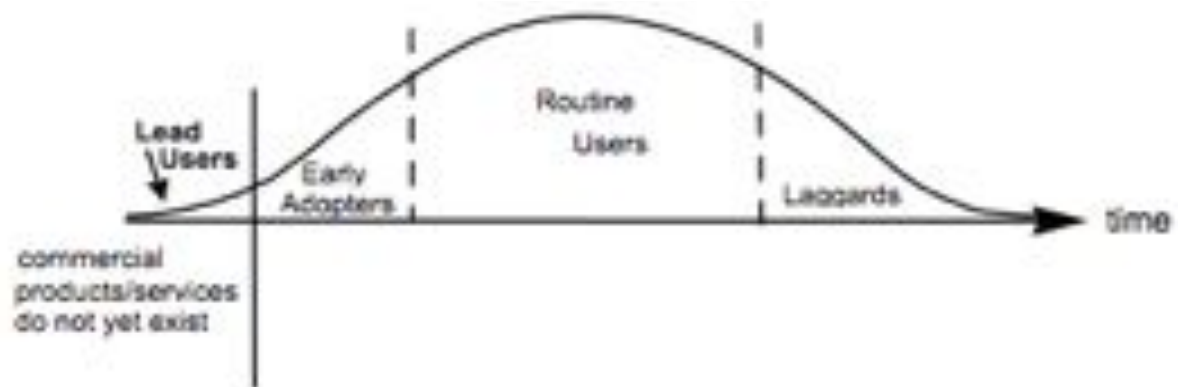
1. **Selection of the Project Focus and Scope:** This is the preparatory phase of a lead user project. A management group first decides the new product or service area that will be the focus of the innovation initiative and selects the core team that will implement the lead user study. This project team then does the practical work required before launching the actual lead user study in the next phase.
2. **Identification of Trends and Needs:** The core project team begins the lead user study by doing an in-depth investigation of trends and emerging market needs. By the conclusion of this phase, the team will have selected the specific need- related trend(s) that will drive concept generation in the next phases.
3. **Collection of Needs and Solution Information from Lead Users:** This phase begins the concept generation phase of the project. The project team interviews lead users to gain deeper insight into emerging needs and to acquire new product and service ideas. By the end of Phase Three, the team will have generated preliminary concepts.
4. **Concept Development with Lead Users:** A select group of lead users and technical experts join the project team and other company personnel for a workshop to do intensive product or service concept development work, usually over a 2 or 3 day period. The outcome of this workshop is typically a new product or service concept - or sometimes, several of them. The project team then refines these concepts and develops a business “case” which is presented to management for its review.

Lead User Concept

Von Hippel defines lead users as individuals or firms who display both of the following characteristics (1988):

1. Lead users have new product or service needs that will be general in a marketplace, but they face them months or years before the bulk of the market encounters them.
2. Lead users expect to benefit significantly by finding a solution to their needs. As a result, they often develop new products or services themselves because they can't or don't want to wait for them to become available commercially.

Note that lead users are not the same as early adopters - users who are among the first people to purchase an existing product or service. Lead users are facing needs for products and services that don't yet exist on the market.



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Three Different Types of Lead Users

- 1) lead users in the target application and market;
- 2) lead users of similar applications in advanced “analog” markets;
- 3) lead users with respect to important attributes of problems faced by users in the target market.

EXAMPLE: paliative carers.



The four phases

Phase 1: Preparing for Your Lead User Project

Phase 2: Identifying Trends and Key Customer Needs

Phase 3: Exploring Lead User Needs and Solutions

Phase 4: Improving Solution Concepts with Lead Users and Experts

Phase 1: Preparing for Your Lead User Project

Phase One is essentially the homework phase of a lead user research project. A management group first spells out the focus and overriding goals of the innovation initiative.

Defining the Focus and Overall Goals.

Management's first planning task is to define the new product or service area(s) and the overall objectives that will drive the lead user project. Specifically, these are the key questions to be answered:

Which types of markets and which types of new products or services are of most interest for this project?

What is the desired level of innovation?

What are the key business goals and constraints?

The Four Phases

Selecting Project Team Members

Once the focus and goals have been decided, management selects the core team that will implement the lead user study. The success of the study relies heavily on putting together a very talented team. Accordingly, selection of members should be based on a careful assessment of the various types of capabilities needed on this team. A multi-functional project team of three to four people carries out a lead user study. Typically, the team consists of people from both the marketing and technical departments, with one member serving as project leader.

Time Requirements for a Lead User Project.

It generally takes about four months to do a lead user project. During these months, members devote approximately thirty to fifty percent of their work time to the project. Specifically, team members usually spend on the average of fifteen to twenty hours per week on lead user research activities.

Planning Activities of the Project Team.

The team first developed a list of key trend and market questions it intended to research during the early phase of the project.

Next the team generated a starting list of types of experts to seek out for interviews and identified specific topics it wanted to research in current trade literature.





The four phases

Phase 2: Identifying trends and key customer needs

In Phase Two the team officially launches its lead user study. In this phase the team does an in-depth investigation of trends and emerging market needs. The ultimate goal of Phase Two is to select a specific need-related trend(s) that will be the focus of the remainder of the study. Once the team is focused in on a specific trend or a few related trends, in Phase Three it will identify and interview lead users who have useful solution information to offer.

Information Gathering Methods in Phase Two

In brief, these are the main data gathering activities in Phase Two: Teams start out the trend and market investigation with a comprehensive review of current trade literature related to the focus of the project. The purpose of this review is to get an overall sense of conventional wisdom regarding important trends and market needs. After the initial literature review, the focus of information gathering shifts to identifying and interviewing top trend and market experts. For the sake of efficiency, most interviewing is done by telephone. However, teams also do some in-person interviews with experts who have information that is especially important to the project.

The Four Phases

Team Trend Investigation Workshop

In our work with teams, we always start out Phase Two with a four-day team workshop. We have found that this is a very effective way to get teams quickly into the lead user project. The main activities that take place during the four days are described below:

Literature Scan - The first two days, members browse through journals and other kinds of reading material that were selected by the team during its planning in Phase One. Every two or three hours, there are group discussions of what members are learning from their reading.

Interviewing - The team spends most of the next two days of the workshop beginning the important task of interviewing experts. In a half-day session, the team creates a general interview guide that includes key questions to explore in the expert interviews. Then members spend another half-day doing in-person interviews with locally located experts. These are warm up interviews and are not really with top authorities. During the interviewing segment of the workshop, team members also begin to call experts identified from the literature scan.

Identifying and Interviewing Lead Use Experts

The basic process for finding experts involves first generating a list of potential authorities from scanning the literature and consulting with colleagues. From there, the team does telephone networking which involves calling people on the starting list until the right individuals are found.



The Four Phases

Completing Phase Two - Framing the Customers Need

After about three or four weeks of interviewing experts, teams usually have achieved a very good understanding of major trends and are ready to begin the important task of framing the customer need.

Framing the customer need basically involves selecting and clearly defining the specific need(s) that will be addressed with a new product or service. Need framing is done in a series of team meetings, which are usually spread over two weeks. At these meetings, the team goes through a process of evaluating, interpreting and combining the various pieces of information gathered from interviews and reading. The outcome of this work should be a need statement that will give the team a clear guide for the concept development work that begins in Phase Three.



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The four phases

Phase 3: Understanding the needs and solutions of lead users

In Phase Three, the team acquires a more precise understanding of the needs it has selected as the area of focus. The team also begins to generate concepts during this phase. These concepts are only preliminary ones. They will be further developed and refined via the lead user workshop that takes place in Phase Four. Another task in Phase Three is to collect verifying evidence that the identified needs and preliminary solution ideas do indeed represent a very good business opportunity. The team uses the verifying evidence gathered to create a preliminary business base which will be presented to management for review near the end of Phase Three. In this phase, the focus of information gathering is on interviewing lead users.

Locating and interviewing Lead Users

Lead users begins with identifying product or service users who: 1) lead the trend(s) identified by the team in terms of their need for new products or services, and 2) stand to gain a significant benefit from finding solutions to satisfy their leading edge needs. In particular, teams look for lead users who have relevant new product or service ideas or have experimented with actually developing prototypes

The Four Phases

Completing Phase Three - Generating Preliminary Concepts

The concepts generated in this phase should answer these questions:

- 1) What specific product/service attributes and features will a new product or service ideally deliver?
- 2) What benefits and value should this product or service offer to our targeted customers?
- 3) What are our ideas regarding the forms this product or service could take (e.g. key design features)?



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The four phases

Phase 4: Improving solution concepts with Lead Users and Experts

In the fourth and final phase of the lead user project, the team further develops and evaluates its preliminary solutions, with the goal of arriving at a strong final product or service concept(s). By the end of this phase, teams typically have developed a written new product or service proposal that includes the following elements:

- design specifications for the new product(s) or service(s);
- data confirming the commercial potential of the concepts
- ideas for how the product or service will be developed and produced

The key activity: lead user workshop

The central activity of this phase is a lead user workshop. This is a two or three day event in which a group of lead users and lead use experts jointly do intensive design work with the project team and other company personnel. The overall purpose of the workshop is to improve and add to the preliminary concepts the team generated in Phase Three.

The workshop composition usually consists of fifteen to eighteen people. About ten or twelve attendees are a mix of lead users and lead use experts. The rest of the roster is made up of the project team and other technical or market specialists from the sponsoring company.

The Four Phases

Key to succes. The right focus and right activities

Teams put a great deal of thought into selecting the design problems to be worked on and planning the activities that will take place during the workshop. A well-orchestrated workshop is crucial to having a truly productive activity versus one that is simply a series of superficial discussions.

This 1-2 day workshop is designed as a creative problem-solving activity in which company personnel, lead users and external technical experts jointly develop one or several concepts for new products.

Defining the Task: In the first session, people take turns explaining their interests and areas of expertise. Then the group is given background information on the task and the problem area is defined.

Generating Solutions: Subgroups are formed to work on independent parts of the problem. Groups present their ideas on possible solutions and work continues, the goal being to develop several alternative product concepts.

Evaluating Concepts: The whole group evaluates the concepts in terms of their technical feasibility, likely market appeal and the priorities set by management.

Selecting Promising Concepts: Consensus is reached on the most commercially promising concepts and the group recommends next steps to further refine them.



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The Four Phases

After the workshop the team prepares drawings of the concepts to present at the workshop review meeting with management.

Completing the Project Presenting Final Concepts to Management

Lead users are not the same as the routine users in a target market. Therefore, we strongly suggest testing concepts developed in the lead user project on ordinary consumers in the target market to validate their commercial potential. The nature of the validation required will vary from firm to firm, depending on the level of proof of commercial promise that is expected by concept evaluators.

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