# Turn Customer Input into Innovation

## Introduction

* Merely listen to customers may not lead to success
  + Customers were not expert or informed enough for that part of the innovation process
* A methodology to gather data in a way that reveals what the customer is really trying to achieve in using a product or service
  + Develop a different style of customer interview
  + Conduct the interview, organize the data, and rate the outcomes
  + Use the information to spur in-house innovation
* The essential implication of adopting this methodology
  + A company must admit to itself that it is not entirely customer-driven
  + It is informed by customer input, but it must also accept the heavy responsibility for coming up with new products and services on its own

## The problem with listening to customers

* The traditional approach of asking customers for solutions tends to undermine the innovation process
  + Most customers have a very limited frame of reference
  + Customers only know what they have experienced
    - Cannot imagine what they don’t know about emergent technologies new material, and the like
  + By asking your customers for solutions
    - You take the order and rush to fill them
* There are several dangers of listening to customers too closely
  + The tendency to make incremental, rather than bold, improvements that leave the field open for competitors
  + Another danger arises in the common practice of listening to the recommendations of a narrow group of customers called “lead users”
    - Customers who have an advanced understanding of a product and are experts in its uses
      * Since they are not average users, the products that spring from their recommendations may limited appeal
    - The sophisticated features would force customers begin to resent the company
* The irony is that most orgnaizations truly believe that they excel at listening to customers and delivering on their wishes

## How to Focus on Outcomes

* Outcome-based method
* Process for Cordis used to achieve its remarkable growth
  + Plan outcome-based customer interviews
    - Outcome-based customer interviews must deconstruct, step by step, the underlying process or activity associated with the product or service
    - Once you define the process, carefully select which customers will participate
      * It is important to narrow interviewees to specific groups of people directly involved with the product
      * It is important to select the most diverse set of individuals within each customer type
        + The more diverse the group, the more complete the set of unique outcomes that is captured
  + Capture desired outcomes
    - Capturing desired outcomes requires a moderator who can distinguish between outcomes and solutions and can weed out vague statements, anecdotes, and other irrelevant comments
      * The moderator digs beneath the surface of customers’ words
        + Clarifying and validating the statements
        + Make sure participants consider every aspect of the process or activity they go through when using a product or service
      * The moderator redirects the question to force the customer to think about the underlying process for the solutions
    - Most interviews begin with participants rattling off statements or adjectives in the form of loosely stated ideas or solutions
      * Such statements offer a starting point for capturing outcomes
    - A well-formatted outcome contains both the type of improvement required (minimize, increase) and a unit of measure so that the outcome statement can be sued later in benchmarking, competitive analysis, and concept evaluation
    - The moderator addresses one statement at a time
      * Rephrasing it to be free from solutions
    - Then, the moderator confirms the translations with the participants to eliminate guess work after the interview ends
  + Organize the outcomes
    - Once the interviews are complete, researchers make a comprehensive list of the collected outcomes, removing duplicates and categorizing the outcomes into groups that correspond to each step in the process
  + Rate outcomes for importance and satisfaction
    - Once have a categorized list of outcomes, you must conduct a quantitative survey in which the desired outcomes are rated by different types of customers
    - Survey participants are asked to rate each outcome in terms of its importance and the degree to which the outcome is currently satisfied
      * The math will reveal the relative attractiveness of each opportunity
    - Opportunity calculation
      * Importance +(importance - satisfaction) = opportunity
        + Scale one to ten on importance
        + The degree to which it is currently satisfied
  + Use the outcomes to jump-start innovation
    - The final step entails using the data to uncover opportunity areas for product development, market segmentation, and better competitive analysis
    - The data are also used to formulate concepts and to evaluate the potential of alternative concepts