



Book Flipped

How Bottom-Up Co-Creation is Replacing Top-Down Innovation

John Winsor
AGATE Publishing, 2010

Recommendation

Marketing expert John Winsor offers hope to companies that are disconnected from their customers. They must turn the way they do business on its head – employing a “bottom-up” instead of “top-down” approach. Rather than dictating to others from on high, companies should seek closer relationships with their customers and their communities. This book walks business owners through seven important steps to bottom-up business success. It explains the internal strategies organizations should use to get employees thinking in bottom-up terms. And it makes an excellent case for the efficacy of each company developing its own narrative or “story.” While generally applicable, the book suffers from occasional repetition. The bottom line on this bottom-up primer: Although you may not “flip” over it, *BooksInShort* believes this book’s easy-to-follow steps could help you develop a closer, more effective dialogue with your customers, which could lead to new and sustained sales.

Take-Aways

- Businesses need to know their customers on a close, firsthand basis.
- However, many companies operate “top-down,” dictating to their customers.
- Relying solely on market research data to know and reach your consumers doesn’t work.
- A better business model means involving purchasers in a “bottom-up” approach.
- You should connect with your customers “in the context of their lives.”
- Working bottom-up appears to be a ceding of short-term control but offers gains in the long term.
- Engage in dialogue and listen to your customers.
- Ask your employees for “crazy” ideas and be willing to make mistakes.
- Go and see your products being utilized in the real world.
- In a complex working environment, you have to trust your intuition.

Summary

Why “Flip”?

Business has changed dramatically since the heyday of traditional American companies such as General Motors. Thanks to the Internet and the modern media explosion, customers can now find out more than ever before about products and services. Paradoxically, though, despite having a plethora of information at their fingertips, consumers have less time to really dig through the details and choose their preferred brands. Therefore, they need the companies they buy from “to engage them in dialogue.” Customers need their purveyors to reach out to them.

“To survive today, every CEO and CMO has to allow their customers to participate in their brands.”

Businesspeople must know their customers intimately and sustain those relationships so their patrons remain loyal to their goods and services. Unfortunately, most companies don’t nurture these relationships. As difficult as change can be, “companies must place their brand within a deeper context of their customers’ lives.” And to learn about your customers’ lives, you must listen to them.

“The companies who will be successful will know their customers as they know their friends.”

You will not find answers explaining the role your products and services play in your customers’ lives from traditional sources such as focus groups – despite the fact that advertising agencies and their clients continue to use and rely on them for data. Professional research firms provide focus group services across industries, often supplying identical results that tend to reinforce existing assumptions. Innovative companies should engage in a “bottom-up” approach to creativity and customer service. This means finding your own way to reach your consumers’ desires and understand their intentions.

“Brands must continually strive to act like a local merchant, like a citizen of the community.”

Bottom-up strategies require companies to relinquish some of the control they have over their processes. Many businesspeople aren’t comfortable with less control. They aren’t prepared to admit that they cannot control their markets. They try to keep up with the fast-moving world while still using a traditional, “top-down” approach. They rely on quantitative data rather than intuition. The traditional approach acts against creativity and innovation. Instead, firms should pursue a bottom-up approach to building relationships with their customers, using these seven tools:

“Step One: Focus on Key Voices”

Today’s markets move quickly and can leave businesses and their products behind. In such circumstances, new offerings can seize the lead. When educated, passionate consumers (“opinion leaders”) discover a new product, its brand can grow rapidly without much marketing effort on its part. (Digital photography is one such example.) If affected industries want to keep up – to stay ahead of rapid developments in the marketplace – they must tap into their “key voices.”

“When companies start to truly listen and have a dialogue around the inspiration that they’ve discovered in their conversations with customers, there is an opportunity for real innovation.”

Businesses must attempt to “connect” with their respective industries’ “trend translators” – people who take their products and services seriously and blend them into their lives. Other consumers turn to trend translators, who “adopt new ideas early but carefully,” for product and service information and recommendations. They can be your pivotal voices. But how do you find them?

“For good or bad, networks exist. What’s important is to understand them and be able to leverage their use to help inform your bottom-up strategy.”

Focus groups are not the way to reach trend translators. In fact, they prevent you from having serious conversations “about your brand in the context of your customers’ lives.” Focus groups are held in sterile, impersonal settings that inhibit frank, honest opinions. Group members may not be familiar with or care about your product; they may be participating only for the money, and the group’s moderator or its other consumers can unduly influence them. Instead, spend time with your real customers in their own milieus. Listen intently to them. Ask their opinions. Provide them with opportunities to meet one another. Keep inviting new voices. Be willing to pay for their time. But don’t wear out your welcome – listen closely and then leave.

“Step Two: Get the Story”

Learning what is important to your customers is not a matter of casually talking to them on the street. You need to have enough depth of information that you “understand the underlying assumptions of [their] lives, behaviors and actions.” The most meaningful conversations often happen at the “fringes” of an organization, not in its executive suite, but in the company’s “center of gravity.” To locate the arena where your products and customers really mesh, practice “anthrojournalism” – gathering information about your customers in a “comparative, holistic and culturally sensitive manner” – to “get the story” of what your product or service means to them.

“In today’s brutally competitive business environment, it is essential to find a group of passionate customers that are willing to spread the word about your product or service.”

To use an anthrojournalistic approach: learn about your customers’ lives, spend time with them, see in a “big picture” way how your product fits into their lives, let their voices into your corporate culture, be aware of your own prejudices and presumptions, and help your customers feel comfortable enough to form their own opinions. Understand that their relationship with your product is ever changing. Engaging in anthrojournalism means entering a “radar funnel” in which you can have conversations with your customers that eventually lead to information and, ultimately, meaning. Do not try to rush your understanding of your customers’ cultures. Learn instead “what they value.” Find out what triggers their buying decisions. Watch them actually using your product.

“Step Three: Listen”

To connect with each other, you and your customers must trust one another. The best way to establish and maintain that trust is to listen. This sounds simple, but in reality it’s difficult. You need to “concentrate,” relax and not be anxious, engage your imagination, “empathize” with your customers and care deeply about them. View the marketplace as a “dialogue” – not as a place to converse with your customers, but as the dialogue itself. Instead of trusting third-party experts like advertising agencies and market research consultants, “eliminate the middlemen and do your own listening.” Strive for “synchronicity” with your customers – be as committed to your product or service as they are. Your customers will sense your authenticity and be motivated by it.

“Step Four: Find Inspiration”

Now that you have located and listened to your primary voices, “the next step is to find inspiration.” Networking is the best way to seek it. The social media’s channels make networking easier than ever. Unfortunately, as companies grow, many businesspeople find themselves too short of time to network effectively. And when it comes to innovation, some become estranged from the form and design of their products and are captivated only by function.

“You can’t take the complexities and idiosyncrasies of the world and reduce them to black and white numbers and hope to gain any real understanding.”

You can avoid pitfalls and find inspiration if you are willing to connect more than one outcome when creating new offerings, think creatively and conventionally, and establish trust between yourself and those with whom you network. Stay active within your network so you may call upon the members for help. Be willing to take your time and explore possibilities out of the office. You want to see your products being utilized in the real world.

“Step Five: Hone Your Intuition”

Companies tend to rely on quantitative research and data that grounds them. Gut checks are not usually touted as reliable sources for making big, important or costly decisions. However, businesspeople should use their intuition more than they do, although it should be “intuition rooted in reality.” While going with your instincts can be risky and result in mistakes – which is why business schools tend to downplay it – it also can result in valuable learning experiences. Rely on your intuition if you lack enough satisfactory information to make a decision or if you face a tight deadline. Also trust your intuition in a “chaotic,” “complicated” or “complex” working environment where you cannot perceive but must seek patterns.

“The reality is that if you don’t connect with the trendsetters and translators, the rest of the market won’t take you seriously.”

You can become more comfortable using your intuition by following some simple steps. Whenever you’re faced with a decision, ask yourself, “What if...?” Put the data you know into the context of personal, human stories. Urge your team members to do the same and to think creatively. Listen to your instincts instead of ignoring them. Get out from behind your desk so you can justify what your gut is saying. Let your intuition live alongside your established organizational processes.

“Step Six: Find the Center of Gravity”

All the information you’re receiving won’t help you if you can’t find out what it means. Your bottom-up approach will work only if you’re operating in your company’s center of gravity, where meaning is clear and from where you can “move smoothly through the marketplace.” Your center can be a constantly moving, evolving target. Several major elements contribute to its formation, including dialogue. But dialogue is not just talking, it also involves concentrated listening. The process of engaging in dialogue can require high-ranking businesspeople to become more humble. After all, figuring the marketplace out is more important than proving the correctness of your preconceived notions about your market. Through listening, assemble your customers’ stories and share them with your team. This will help foster innovation.

“You must seek to understand a living, evolving process – not a static snapshot.”

Companies seeking their center of gravity should examine their respective cultures. Are they self-centered? Are they focused on impersonal research data, or do they care about people’s stories? Do they use intuition to make important decisions? Understanding “the internal world of your company” will help you locate its center. Locating your center of gravity also requires unleashing creativity. To foster creativity in your organization, encourage the sharing of opposing opinions, ask for “crazy” ideas, tell your team to perform tasks done by consultants in the past, record and share information and let mistakes happen. Also, to boost creativity, ask for guidance and advice from experienced people, trust your instincts rather than your data, hold dialogues, make your leaders available to your team members, and change your meeting and working venues.

“Look around you, Isn’t the world dynamic rather than static? Yet many business process, as taught by business schools, are static.”

Shake things up by changing your vocabulary. The words you use will be more authentic if you seek your center of gravity in the marketplace rather than holding strategy meetings “holed up in a four-star hotel.” Foster an atmosphere of “collaboration” in which people feel free to share their ideas and goals. Recognize that your “corporate philosophy” must be fluid, responsive and constantly changing “so that it captures the center of gravity in the marketplace.”

“Step Seven: Tell the Story”

While the idea of storytelling conjures up evenings around the campfire rather than the world of business, telling stories is crucial to a bottom-up approach. Have you ever sat through a crushingly boring presentation in a conference or meeting? If so, chances are the speaker merely recited dry facts that didn’t connect to people. Yet business schools encourage this kind of sterile, data-based approach while discouraging storytelling, which actually is where companies should focus. Storytelling helps businesses avoid treating their customers as automatons, which inhibits a trusting customer-company relationship.

“[I]t is only through dialogue – in the context of a bottom-up strategy – that you will gain the ability to allow many different points of view to survive and instigate learning.”

Your company’s story resides in its center of gravity. Tell it as basically as possible, in one voice. It should “energize and inspire action.” A really effective story engages your listeners, encourages them to picture themselves within the tale and to fill in any blanks. “Such a story can help them reframe their worldview in a profound way and become a common rallying cry around the center of gravity of the marketplace.”

“Analytical presentations rarely succeed in persuading companies to change in a profound enough way to find the market’s center of gravity.”

To tell your story effectively, help your listeners envision themselves in it, tell it without embellishment, make it relevant to your audience’s experience and perform it in a way that will inspire your listeners to share it. Presenting your story well is the pivotal step toward a successful bottom-up strategy, because when your customers hear it and become involved, they will help bring inspiration “into the core of the company.”

About the Author

John Winsor is chief executive officer of the advertising agency Victors & Spoils in Boulder, Colorado. He cowrote *Spark* and *Baked In* with Alex Bogusky.
