

They Don't Want Your Product

innovation and
the ecosystem of demand

Royce Johnson



They don't want quarter-inch drill bits, they want

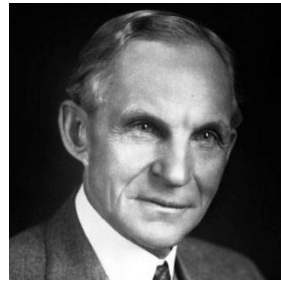
QuarterInchHoles

QuarterInchHoles.com

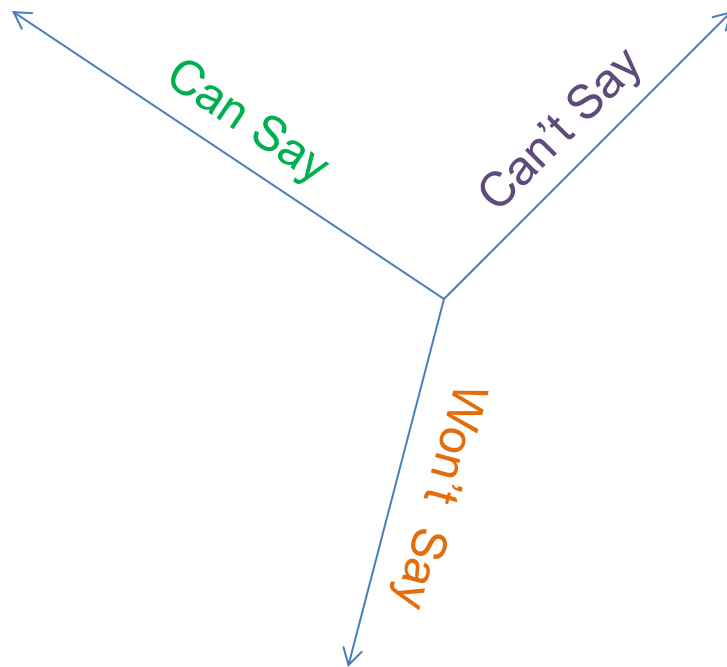


“If I had asked my customers what they wanted,
they would have asked for faster horses”

Henry Ford



Universe of what they want





Built on "will say"

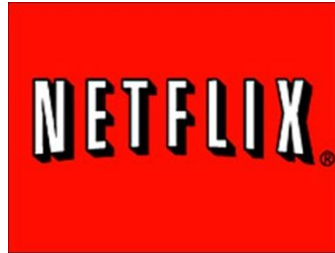
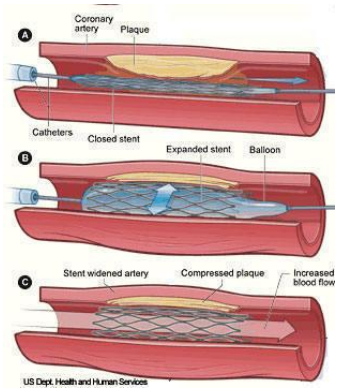


Disregarded "won't say"

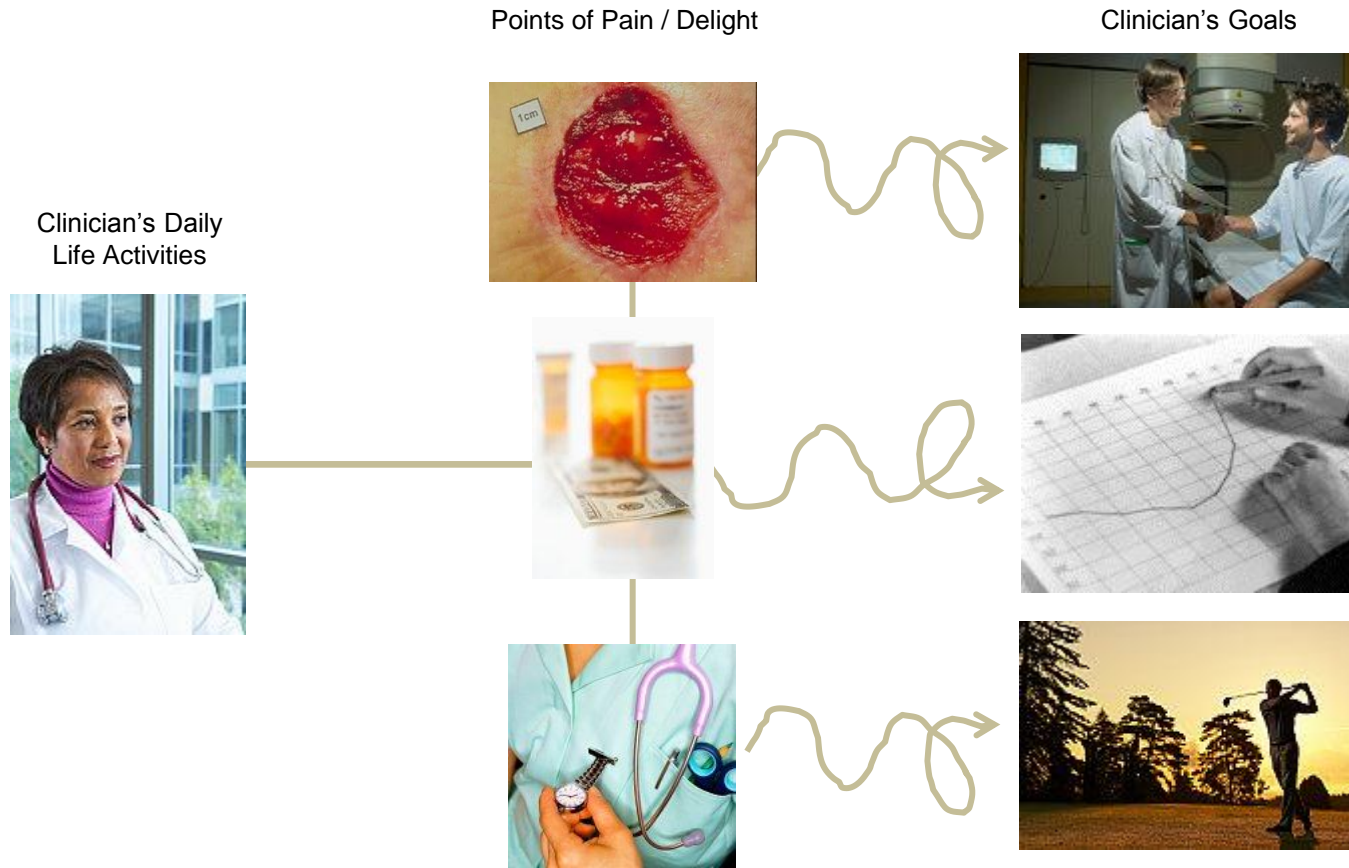


Disregarded "won't say"

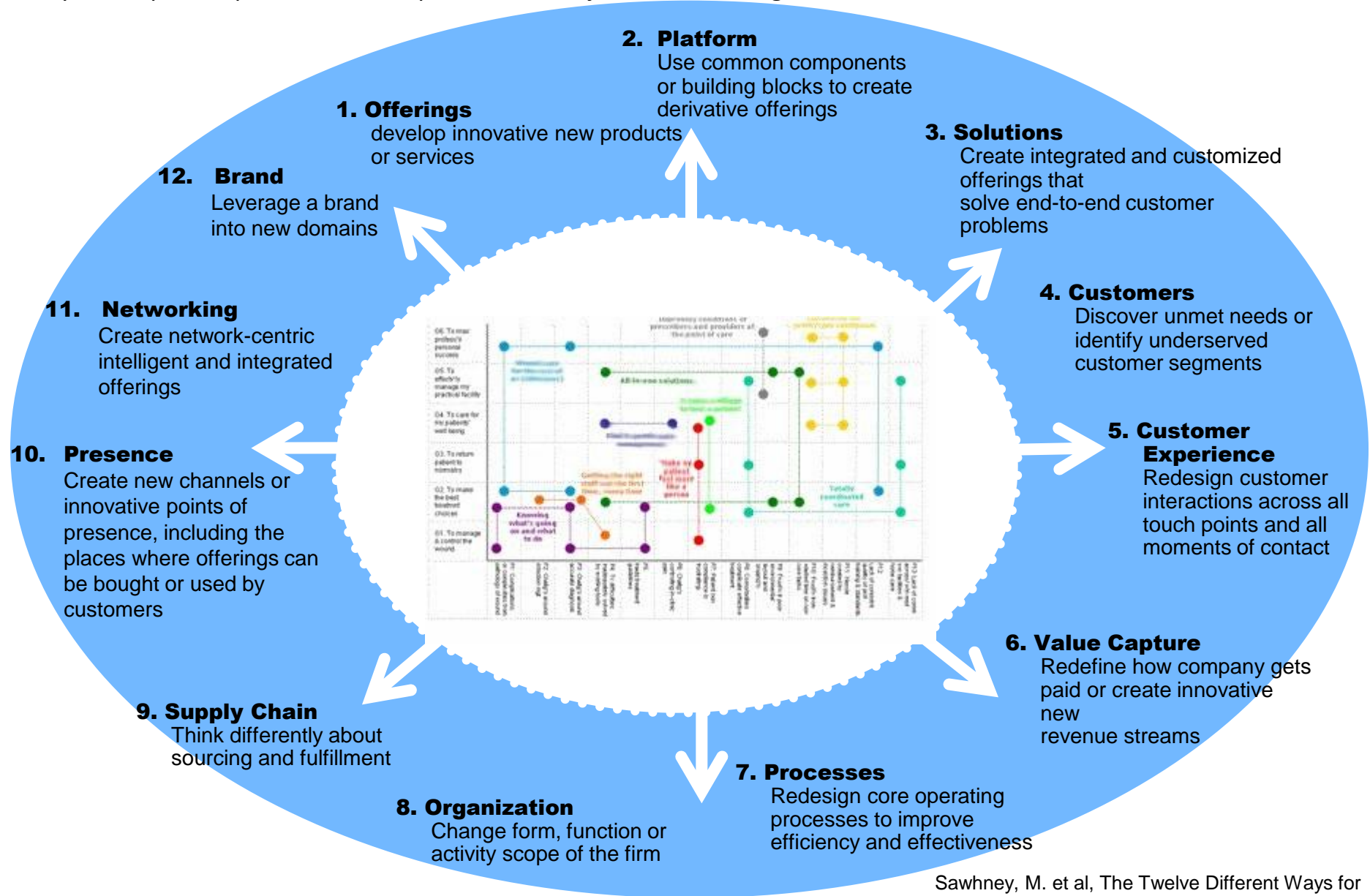




An ecosystem of demand, look from the outside in



And your response space is far more powerful than 'just' new offerings



Sawhney, M. et al, The Twelve Different Ways for Companies to Innovate, *MIT Sloan Mgt Rev*, 2006



Methods to find the “Can’t Say’s”

Method	Typified by	BUT ..
Design Think	IDEO	They don’t just want Things
Outcome Driven Innovation	(ODI) Strategyn	They don’t live to do ‘jobs’
Demand-first Innovation and Growth	(DIG) Vivaldi Group	What they want is complicated: <i>you have to immerse in daily lives</i>



patientvoices.uk.org



heart_of_stone-0258pv150r2.wmv



Customer Centric Immersion is distinct from other types of research

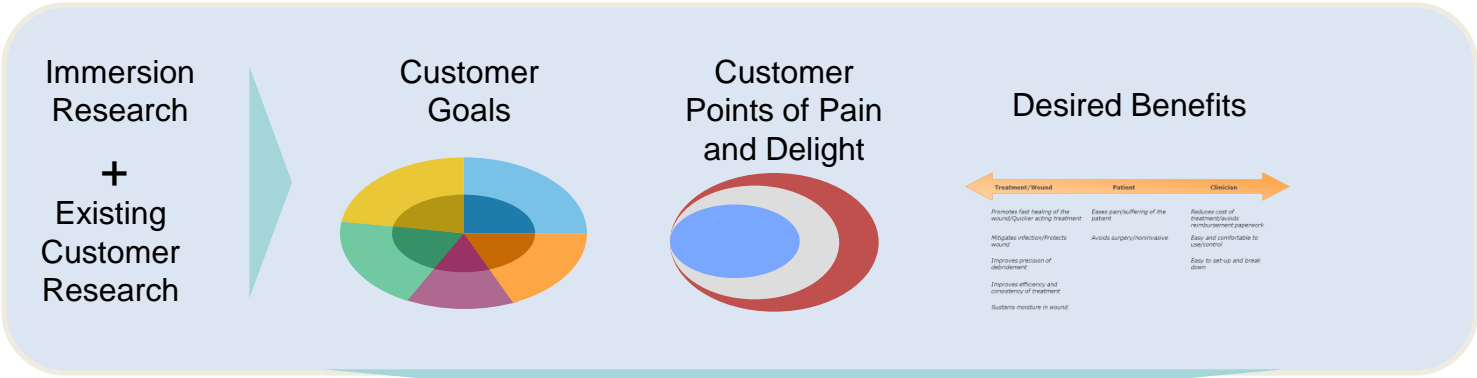
- Customer-centric immersion drives innovation by providing and **rich and nuanced view of customers' daily life activities**
- Unlike other self-report techniques, immersions enable us to tap into customers' **articulated and unarticulated goals, points of pain and points of delight**

	Customer centric immersion	Focus Group	Quantitative Research
Objective	Identifies areas for innovation	Unearths explicit needs	Validates opportunity areas
Outcome	Understands the ecosystem of demand e.g. How Doctors interact across the wound care process	Understands a specific area of interest e.g. What Doctors want to improve in wound care	Validates specific need areas identified in qualitative research e.g. Confirm Doctors are most frustrated by xx in wound care
Context	In-context e.g. Doctors in hospitals	Out-of-context e.g. Doctors in a focus group facility	Out-of-context e.g. Doctors on-line survey
Benefits	Taps into latent needs e.g. Observe doctors and see needs they are unaware of	Taps into self-expressed needs e.g. Doctors tell you their problems	Taps into self-expressed needs e.g. Doctors select needs they most identify with



Demand-first Innovative Growth

Immersive Customer Understanding



Identify and Assess Opportunity Spaces



Develop Innovation



Outside-In Progeny: Opportunities



from *&^(&^\$@#!!!



to Carestation



from Toothpaste



\$2



to OralCare



from Point of Purchase



to Point of Purpose



Qualitative *data* as input to Analytical Anthropology

- Demand
 - Statements of goal, task, need, desired result, feelings
 - *Always translate “remedy thought starters”*
- Supply
 - Statements of frustration and aggravation, problems

“What are we really doing here?”



A case study

[healthcare insurance]

FOR THE

[small business owner]



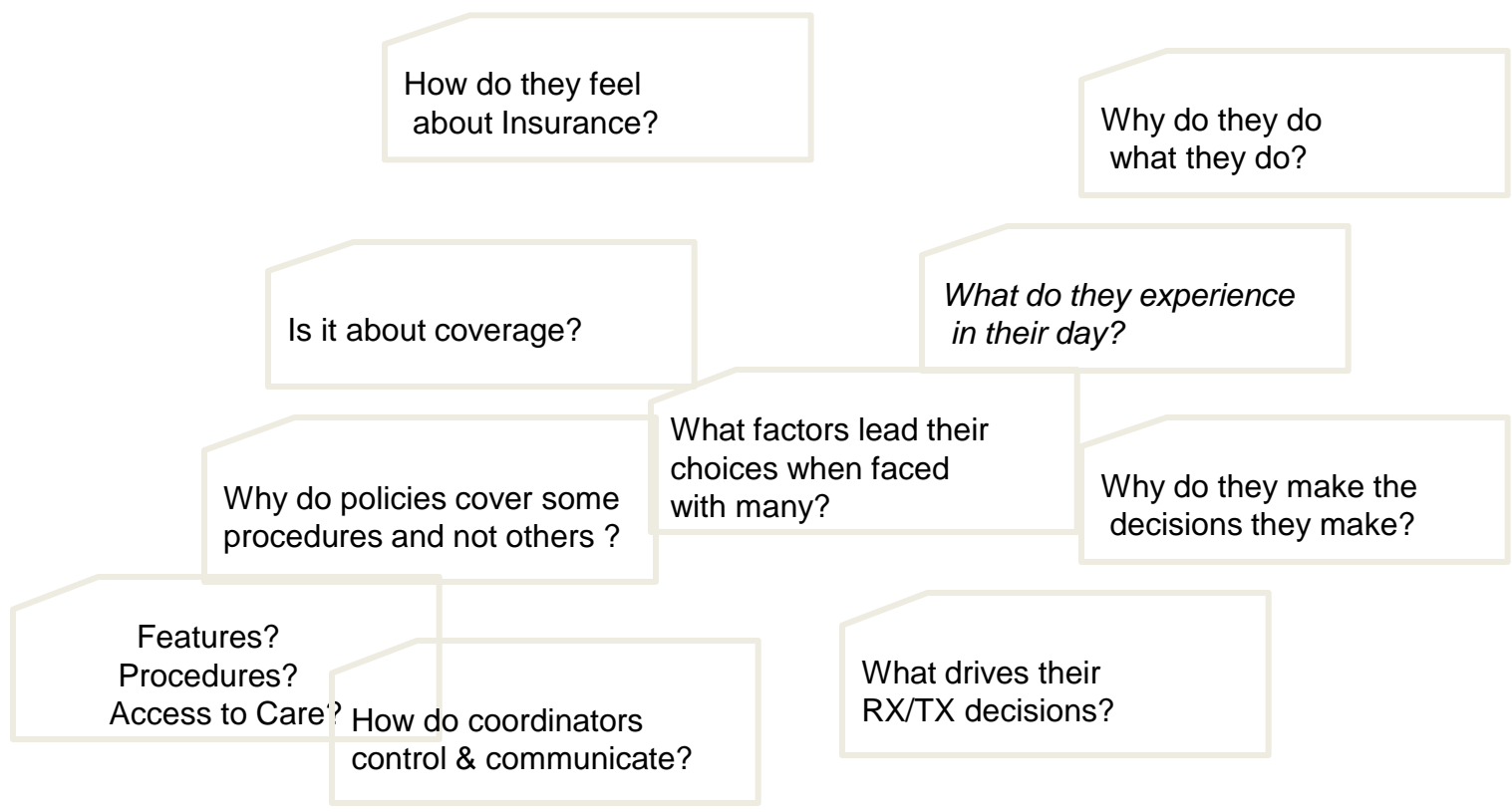
Required: a Framing Question, narrow and broad foci need to be considered:



Our new Insurance Demand Landscape should be about

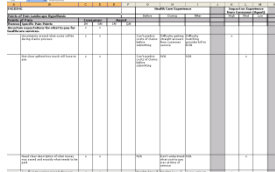
← *More Narrow* Breadth of Focus *More Broad* →

More Emotional
↑
Emphasis of Value
↓
More Functional





Multi-dimensional immersion approach includes journals, interviews and observations with customers



	Homework	Interview	Observation	Data Capture
<i>What it is</i>	<ul style="list-style-type: none"> Journal participants fill out prior to the interview 	<ul style="list-style-type: none"> In-depth interview conducted at the hospital site 	<ul style="list-style-type: none"> Observation of customers across the day's journey 	<ul style="list-style-type: none"> A standard capture sheet used for every interview
<i>Purpose</i>	<ul style="list-style-type: none"> To understand the context around which participants live within the frame of reference To identify points of pain and latent unmet needs participants experience in their daily lives around the frame of reference 	<ul style="list-style-type: none"> To understand participants' latent unmet needs, wants and perceptions To go into detail on points of pain identified in the journal 	<ul style="list-style-type: none"> To identify latent unmet needs To understand the ecosystem of demand around the frame of reference 	<ul style="list-style-type: none"> To collect the data in a systematic way that can be easily transferred from all the interviews and shared to build the Demand Landscape
<i>Actions</i>	<ul style="list-style-type: none"> Develop the journal Distribute it to participants for completion prior to interviews 	<ul style="list-style-type: none"> Interviewer: <ul style="list-style-type: none"> Review homework for key items to probe Bond with participant Active listening / probing Scribe: <ul style="list-style-type: none"> Capture details of interview conversation into template 	<ul style="list-style-type: none"> Observe customers at the site Take detailed notes of observations in data capture template Probe customers before and after their decisions 	<ul style="list-style-type: none"> Take literal notes during interviews and observation Finalize the data capture template Synthesize notes from data capture sheet after each interview

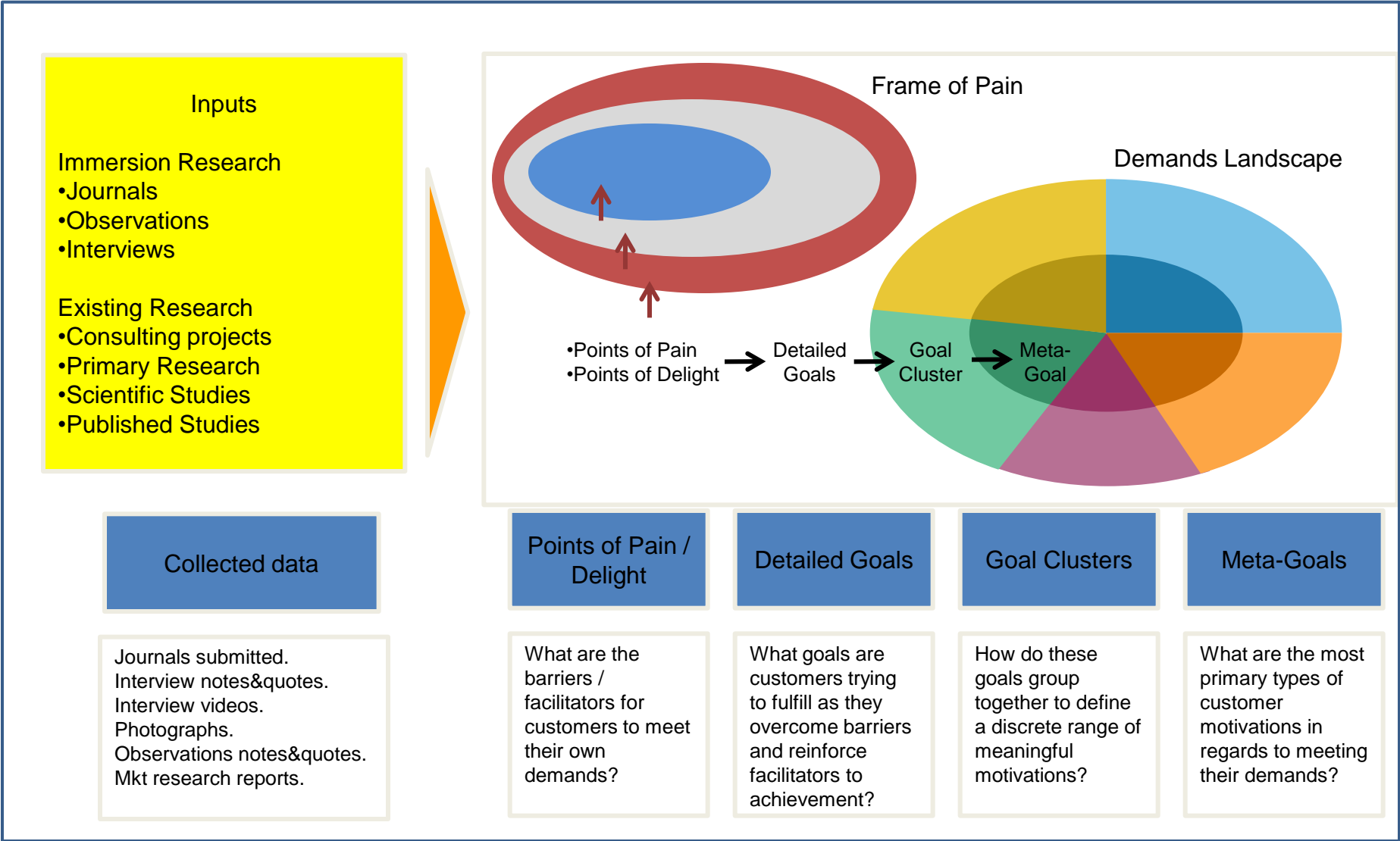
Case 1

Day 2: Activities Log <small>The activities should be filled out throughout the day; please jot down a brief description of the activity and, if applicable, identify which of the six activity sets it falls under (write the initials for each activity set on the right hand column).</small>	Day 2: Additional Comments
7am	In general, how was your day today? Did anything go exceptionally well? Or exceptionally poorly?
8am	
9am Prep and start of Core Crown	- Very good day.
10am adjusted occlusion - cc visit - insert crown - Arm cementation	- all procedures went well
11am Emer visit - xray taken. Referral pt to OS for extraction	- 2- Core's both went well very little adjust. nec.
12pm Lunch	
1pm New pt. 2 composites young son teenager	
2pm Prep & start of onlay Core	
3pm	
4pm	
5pm	
6pm	





The Customer Demand Landscape is composed of customer motivations related to activities, choices and decisions



Group Detailed Goals into Goal Clusters

Process

Detailed Goals are affinity diagrammed

Detailed Goals are then clustered by common themes to form Goal Clusters

Goal Clusters are then affinity diagrammed to develop Meta-Goals

Meta-Goals are sorted by Frame of Reference or other relevant drivers

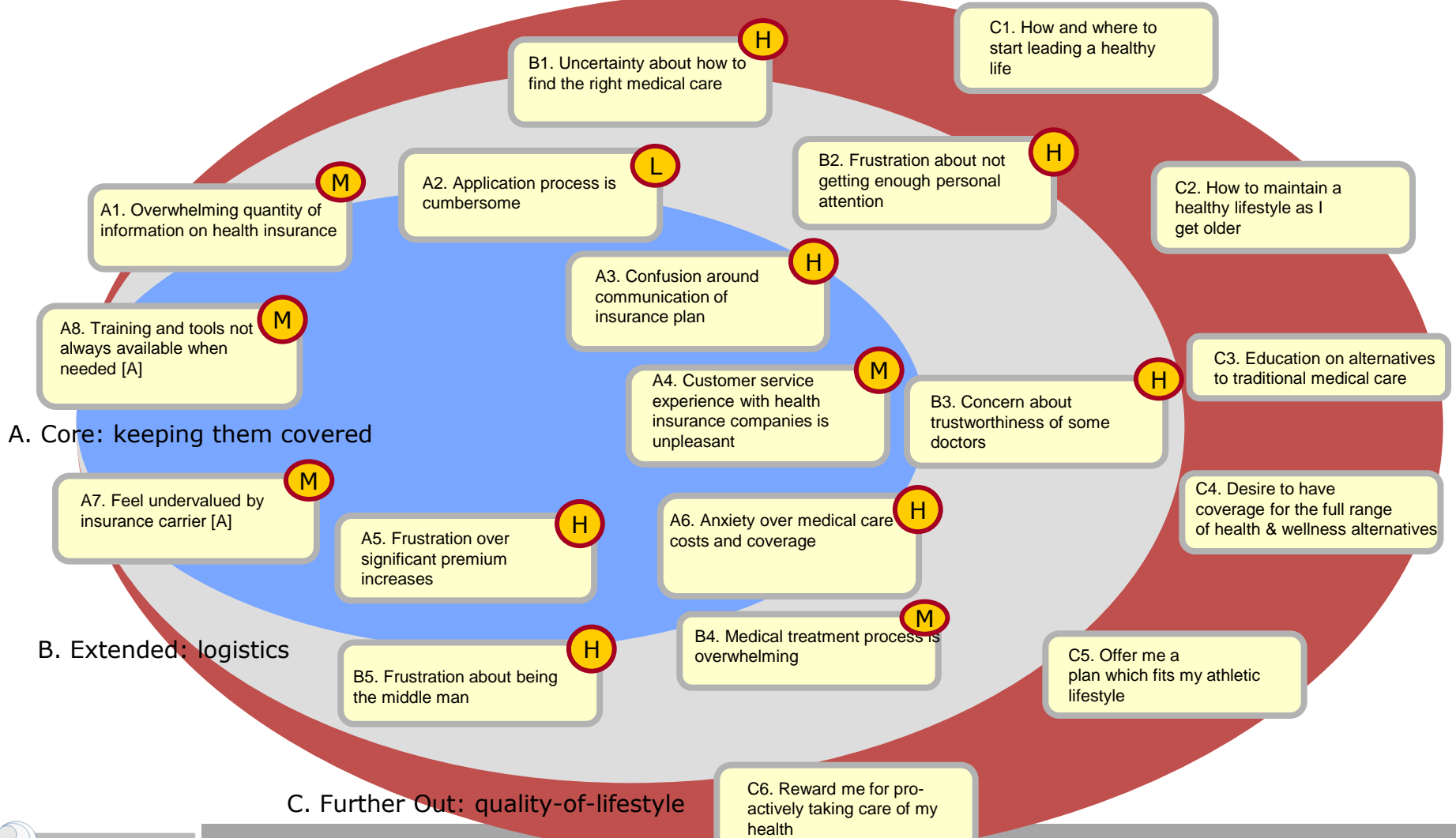


Demand Landscape (Demand Space)



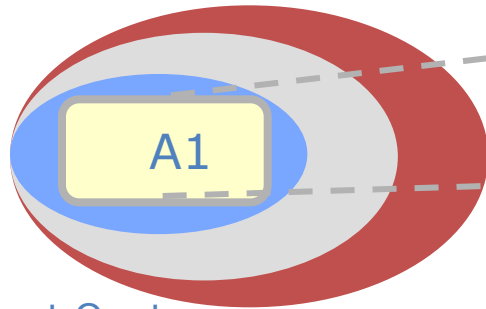
World of Pain (Supply Issues)

How do small business owner's select health insurance programs for their employees??



Themes of Pains in Health Insurance:

Overwhelming Quantity of Information When Choosing Health Insurance Plan



Overwhelming Quantity of Information When Choosing Health Insurance Plan

Relevant Quotes:

"We googled "low-cost, low deductible. It was difficult to know where to start. They just put as much information on their websites as they can. You don't really have anyone to ask." – Anthony (IM), Raleigh

"There are always more questions I could have asked. There is just so much to understand. I never got into nitty-gritty about what would happen if someone got injured at my store." – Husein (GM), Dallas

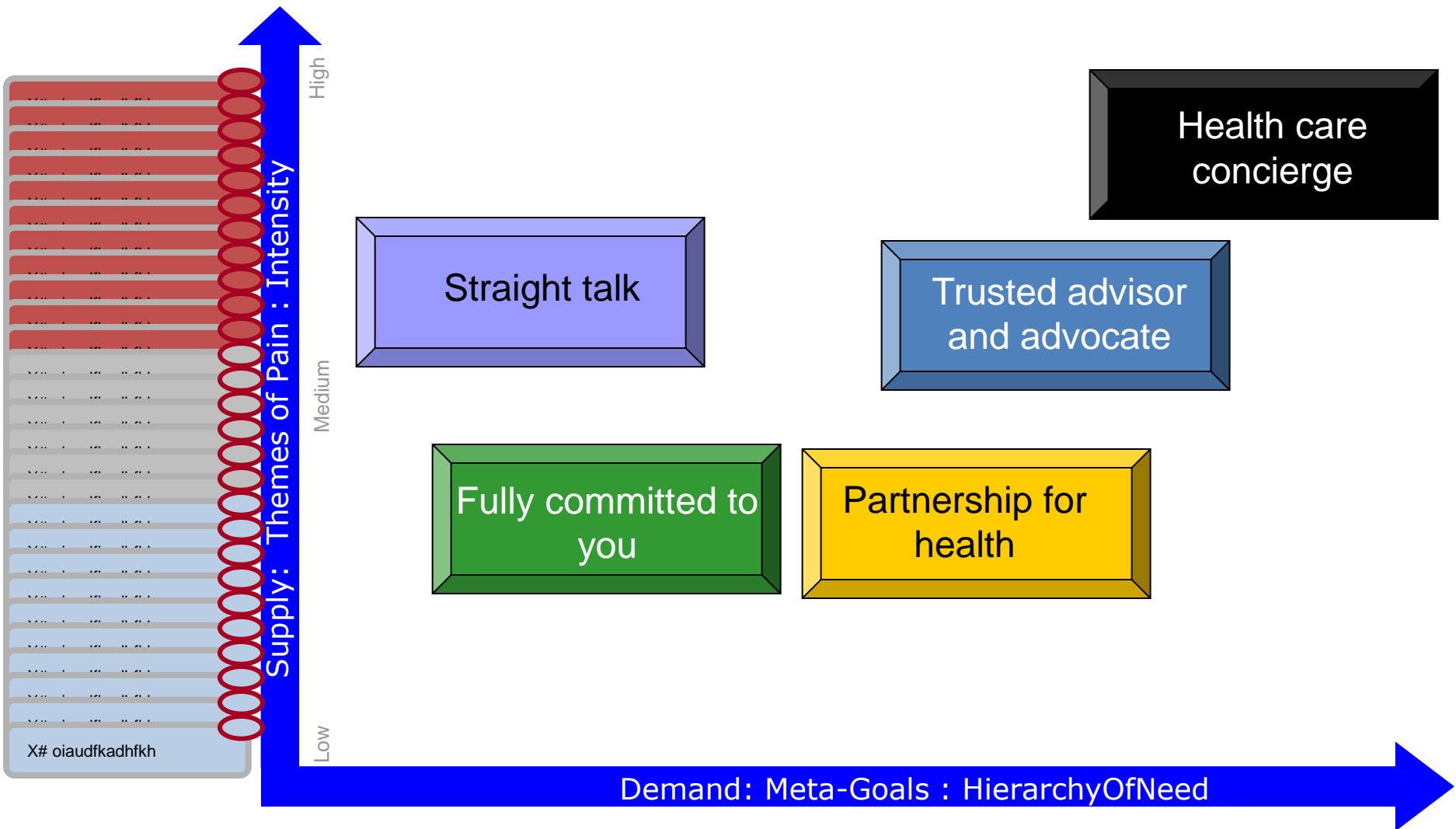
"I am still just starting to grow my health insurance business, and I need to know which carriers offer the best plans. I saw something on TV the other day that looked interesting because it cheap. I wondered how and wanted to know more." – Fred (A), Chicago

Points of Pain	Perceived Intensity
<ul style="list-style-type: none"> I am confused because there is a large quantity of complex insurance information to sort through 	H
<ul style="list-style-type: none"> I am frustrated by how hard it is to get the information I need 	M
<ul style="list-style-type: none"> I am frustrated because I don't have the basic knowledge in order to buy (or sell) insurance 	M
<ul style="list-style-type: none"> I am annoyed that I don't have the information I need to target clients in a more focused way (info is not focused) [A] 	L
Overall Intensity	M

Opportunity is found at the collision of Demand and Frustration



To create growth platforms, identify opportunity spaces for innovation



To protect my business and employees To run my business smoothly To be responsive and true to values To be in control To be recognized and respected

- Ideas ≠ Products
- Opportunity ≠ Growth



“Business is done when orders are taken”

“If you want to keep getting what you have been getting, keep doing what you have been doing”



Solution Ideation

Key Questions

What innovative and breakthrough solutions could be developed to serve the needs identified in the opportunity spaces?

How can existing solutions (both internal and external) could be improved, enhanced or repackaged?

Activities

Revisit opportunity spaces to include additional global perspective, if needed

Prepare and facilitate 2-day Ideation Workshop with project team, "smart customers" and relevant outside experts

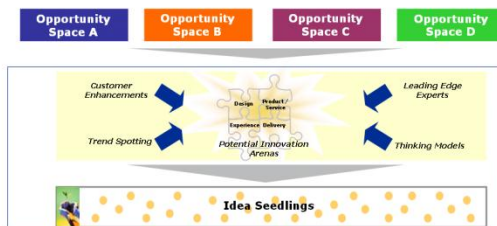
Develop idea seedlings into copy-written concepts

Deliverables

Long list of idea seedlings

Short list of copy-written concepts, ready to be presented to customers and internal audiences for prioritization

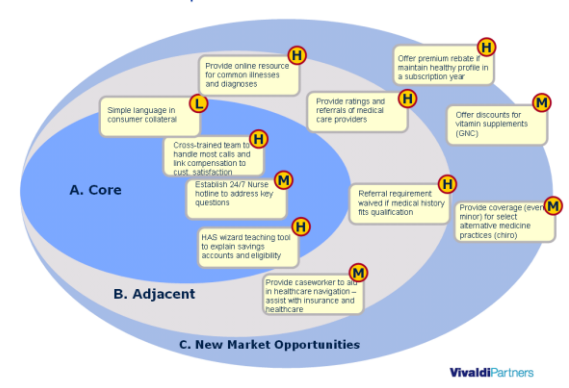
Idea Seedlings



Ideation Workshop



Innovation Concepts



Prioritization and Growth Playbooks

Key Questions

How can we determine which solutions will have the best trade-off of impact vs. ease of implementation?

How can we build an attractive and balanced Growth Playbook?

Activities

Customer research on impact potential of top concepts (RNI testing methodology through qualitative research)

Internal assessment of implementation ease, leveraging "Company Lens" information from Phase 2

Deliverables

Prioritized concepts

Growth Playbook recommendation

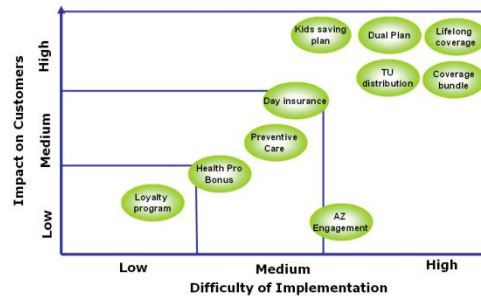
Core Team Workshop

Concepts' Impact on Growth Drivers

	Concept A	Concept B	Concept C	Concept D	Concept E	Concept F
Key Driving Brand Dimensions						
Easy to use	■	■			■	
Reliable						
Responsive	■		■			
Competent					■	■
Excellent Appearance						
Suits my immediate xxx needs	■	■		■	■	■
Appealing Interface	■					■
Excellent Solution Delivery			■			

- represents significant improvement at the 95% confidence level
- represents significant improvement at the 95% confidence level

Innovation Roadmap: Prioritizing Concepts



Growth Playbook



Rapid Testing

Key Questions

- Are we really right about customer response?
- Can we enrich the Playbook with new insights?
- If we build it, will they come?

Activities

- Rapid prototyping through any relevant means to simulate value proposition.
- External “wild type” assessment of perceived value
- Core Team Workshop to weed&feed

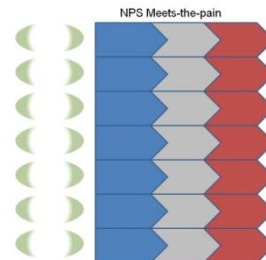
Deliverables

- Enriched, Prioritized and Optimized Growth Playbook recommendation

In-context pressure testing



Perceived value of conceptual solutions



Optimized Playbook



One last thought: The Seven Beyonds

Beyond Existing Customers

Beyond Existing Brand

Beyond the Category

Beyond the Industry

Beyond Silos and Functions

Beyond the Strategic Business Unit

Beyond Habitual Domains

