

They Don't Want Your Product

innovation and the ecosystem of demand

Royce Johnson



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

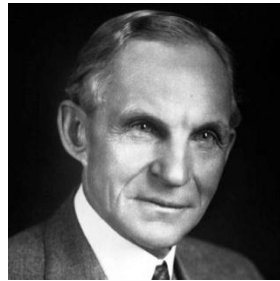
QuarterInchHoles

QuarterInchHoles.com

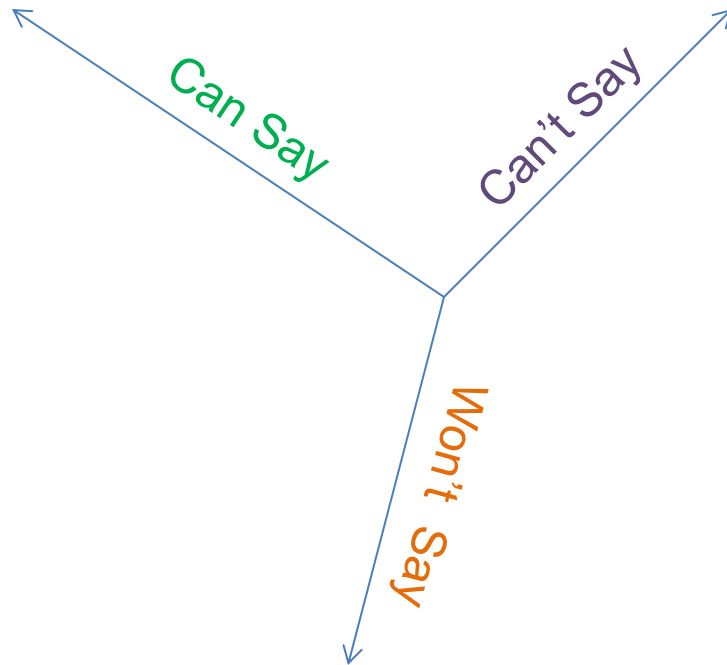


“If I had asked my customers what they wanted,
they would have asked for faster horses”

Henry Ford



Universe of what they want





Built on “will say”

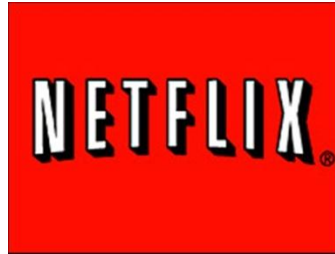
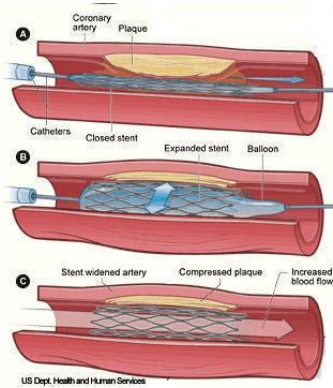


Disregarded “won’t say”

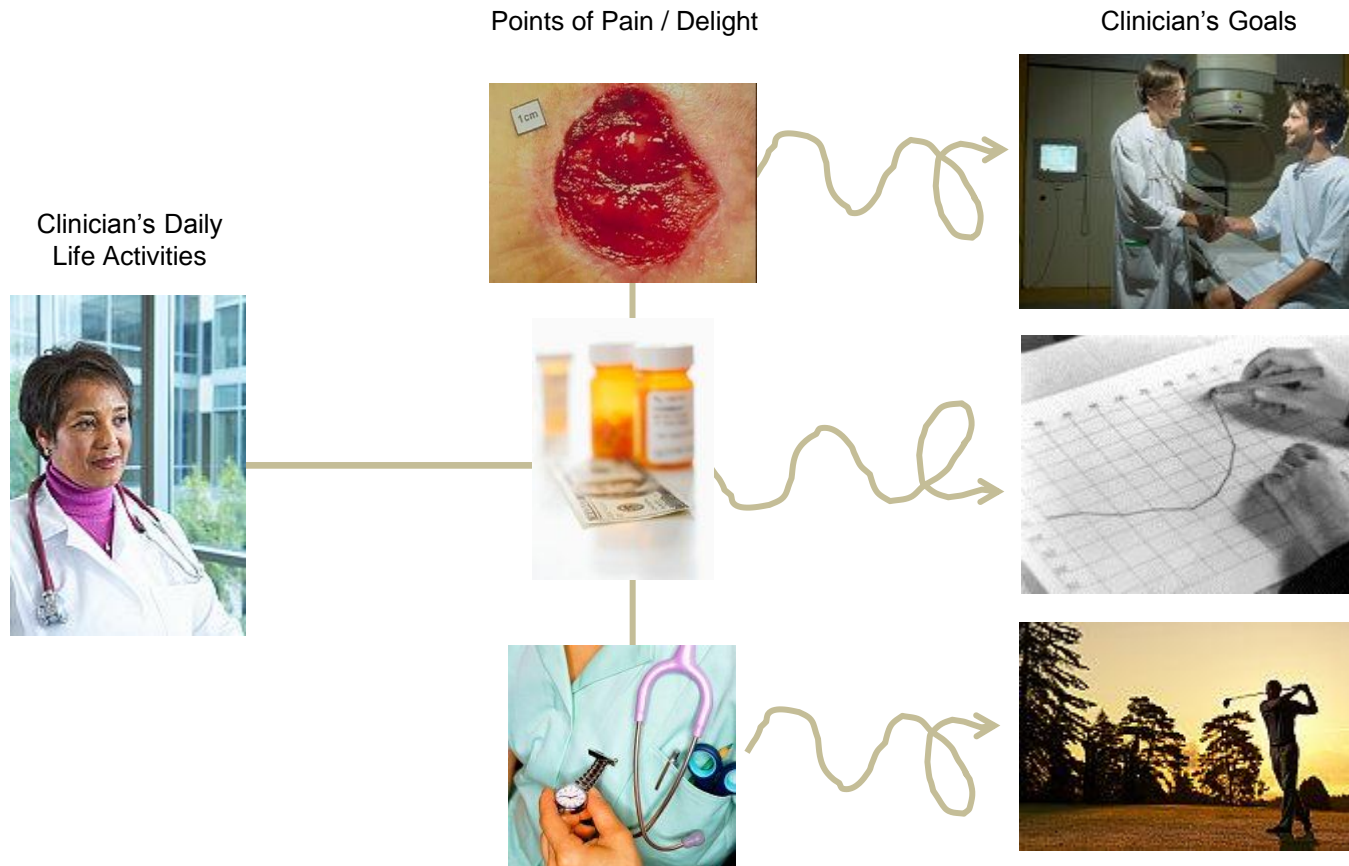


Disregarded “won’t say”

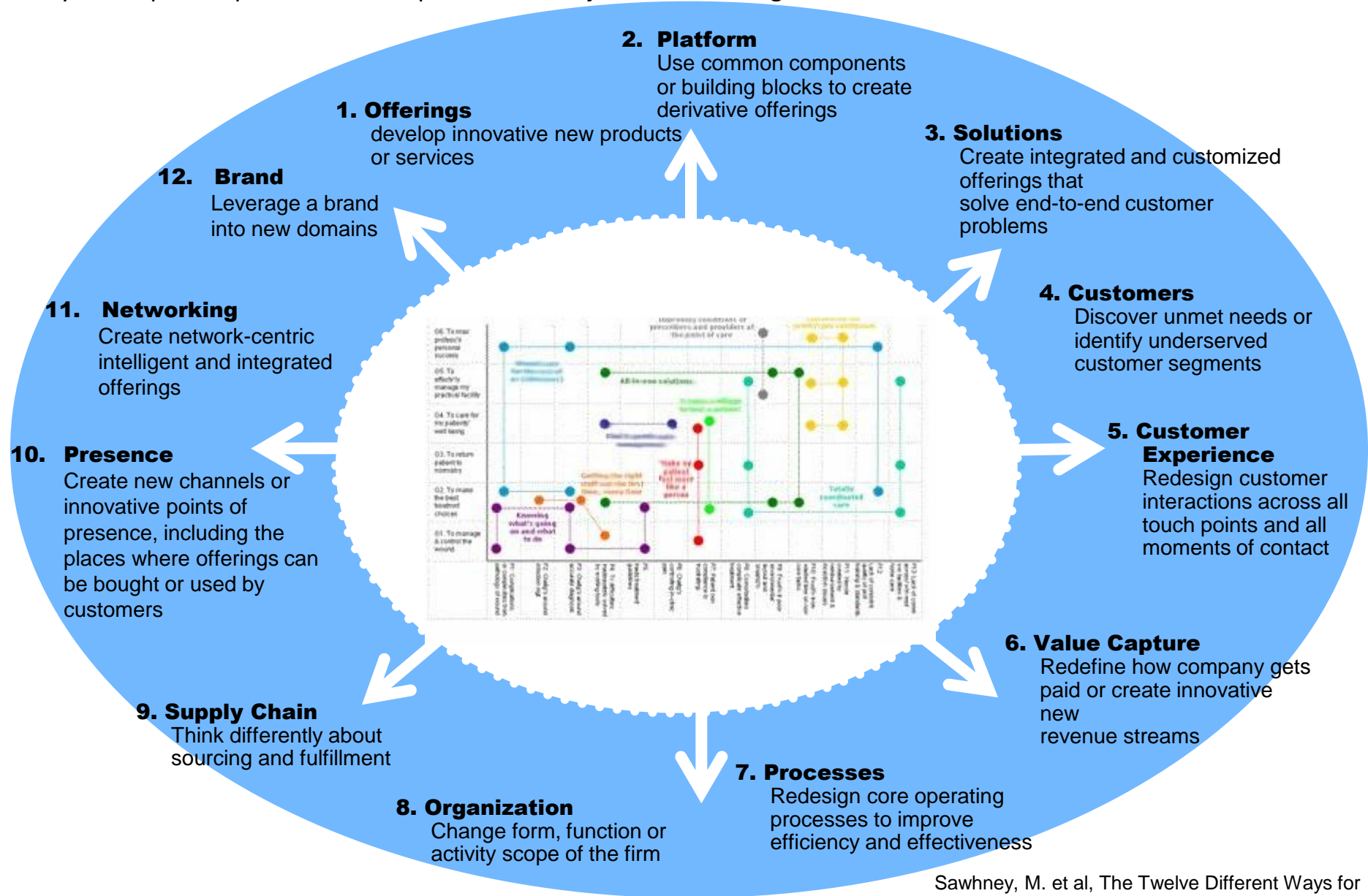




An ecosystem of demand, look from the outside in



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

Immersion
Research

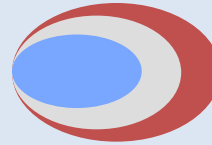
+

Existing
Customer
Research

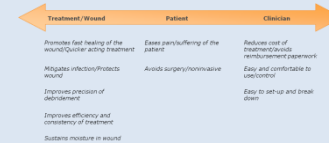
Customer
Goals



Customer
Points of Pain
and Delight

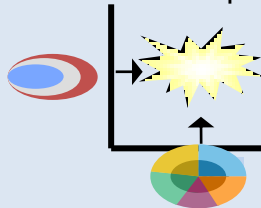


Desired Benefits



Identify and Assess
Opportunity Spaces

Opportunity
Landscape



Growth Platform
Development



Growth Platform
Assessment

Competitor
Company
Customer



Develop
Innovation

Solution Ideation



Prioritization



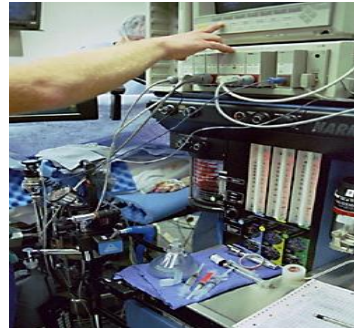
Rapid Testing



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

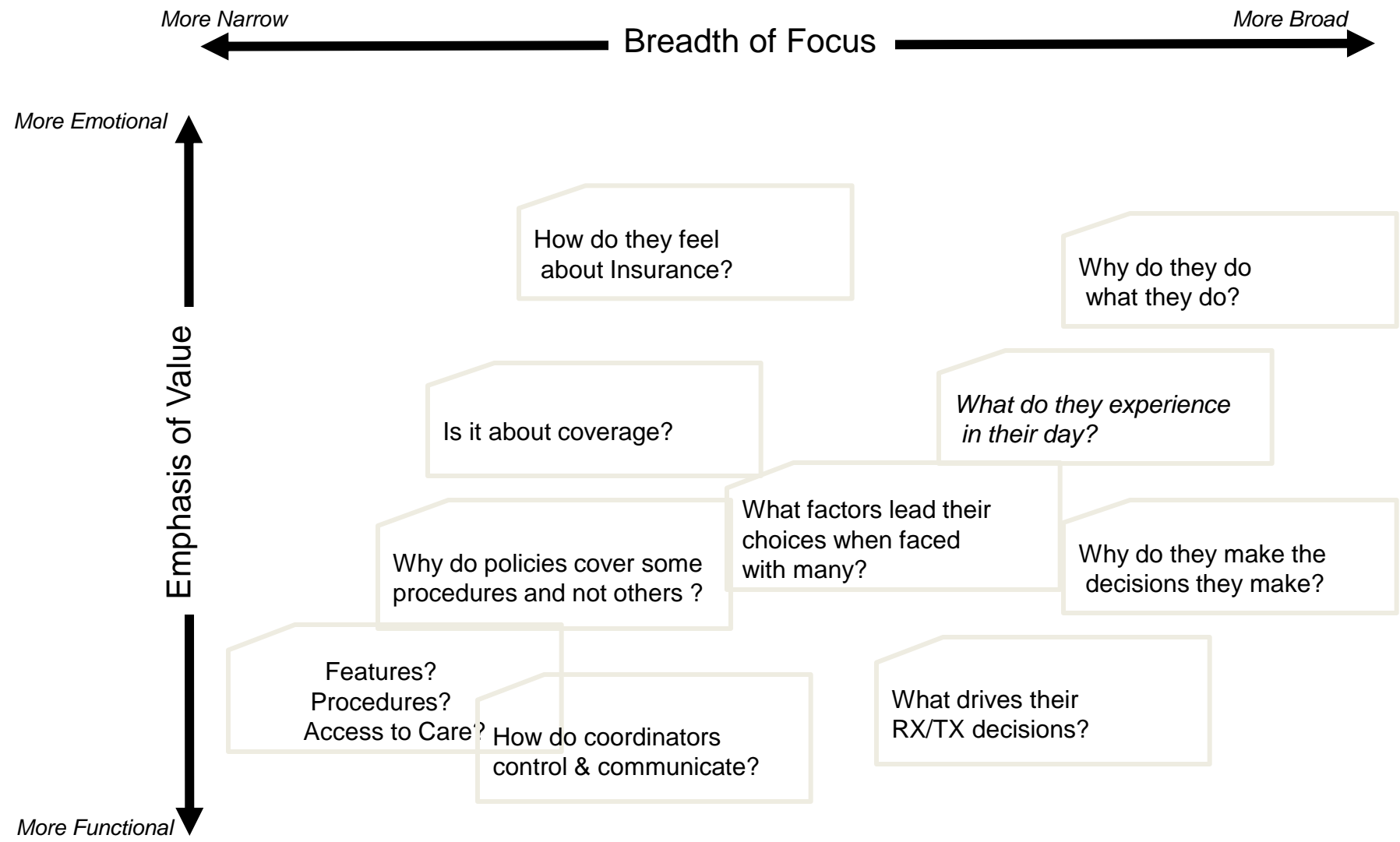
[healthcare insurance]
FOR THE
[small business owner]



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

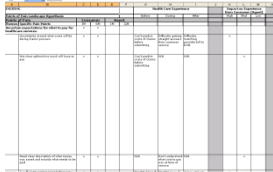


Our new Insurance Demand Landscape should be about





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

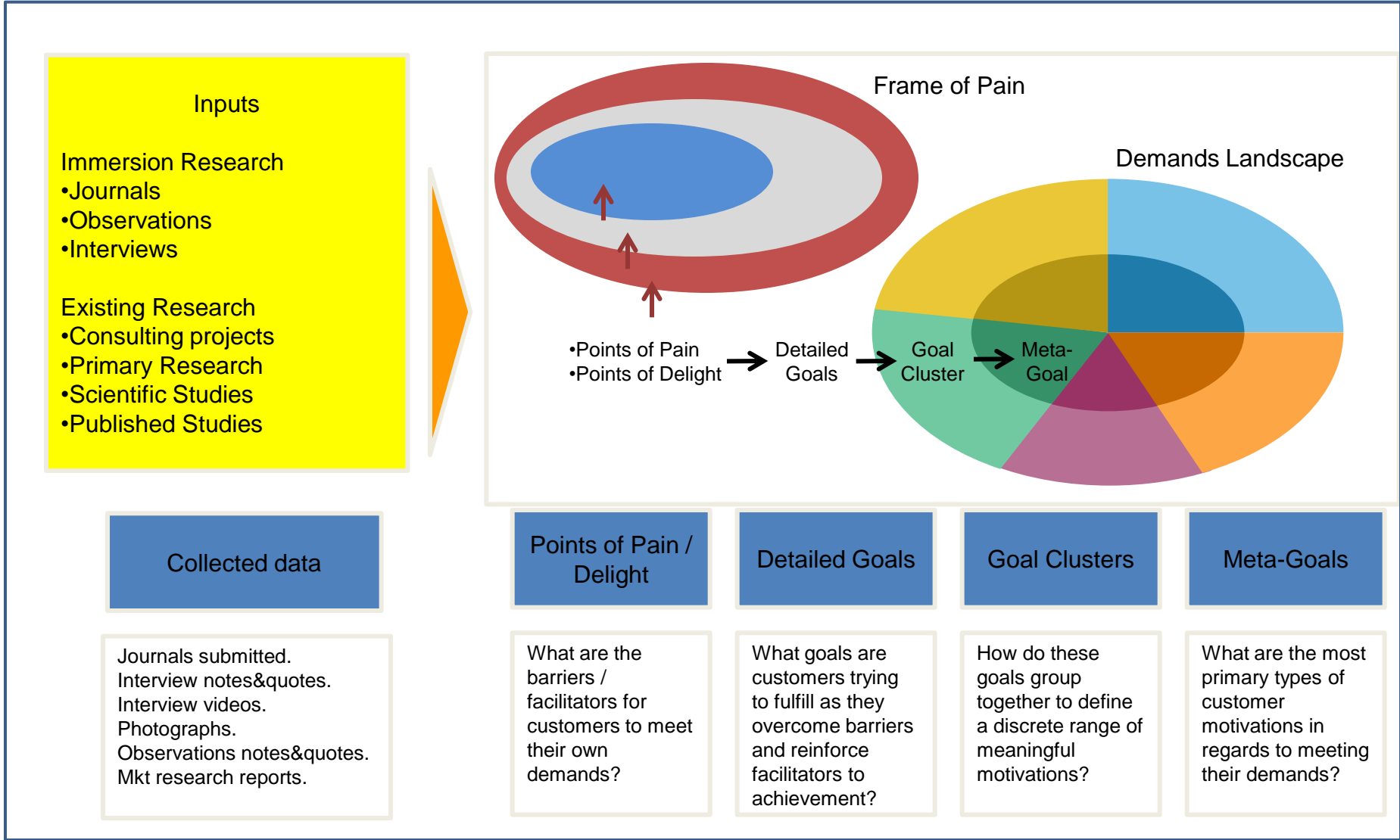
Day 2: Activities Log		Date <u>2/7/05</u>
The activities should be filled out throughout the day; please jot down a brief description of the activity and, if applicable, identify which of the six activity sets it falls under (write the initials for each activity set on the right hand column).		
7am		
8am		
9am	Prep and mount of Cere crown.	
10am	adjusted occlusion - cc visit	
11am	Insert crown. Arm cementation Emir visit. X-ray taken. Referred pt to O.S. for extraction	
12pm	Lunch	
1pm	New pt. 2 Composites young teen teenager	
2pm	Prep & mount of onlay - Cere	
3pm		
4pm		
5pm		
6pm		

Day 2: Additional Comments
In general, how was your day today? Did anything go exceptionally well? Or exceptionally poorly?
- Very good day. - All procedures went well - 2- Cere's both went well very little adjust. nec.





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

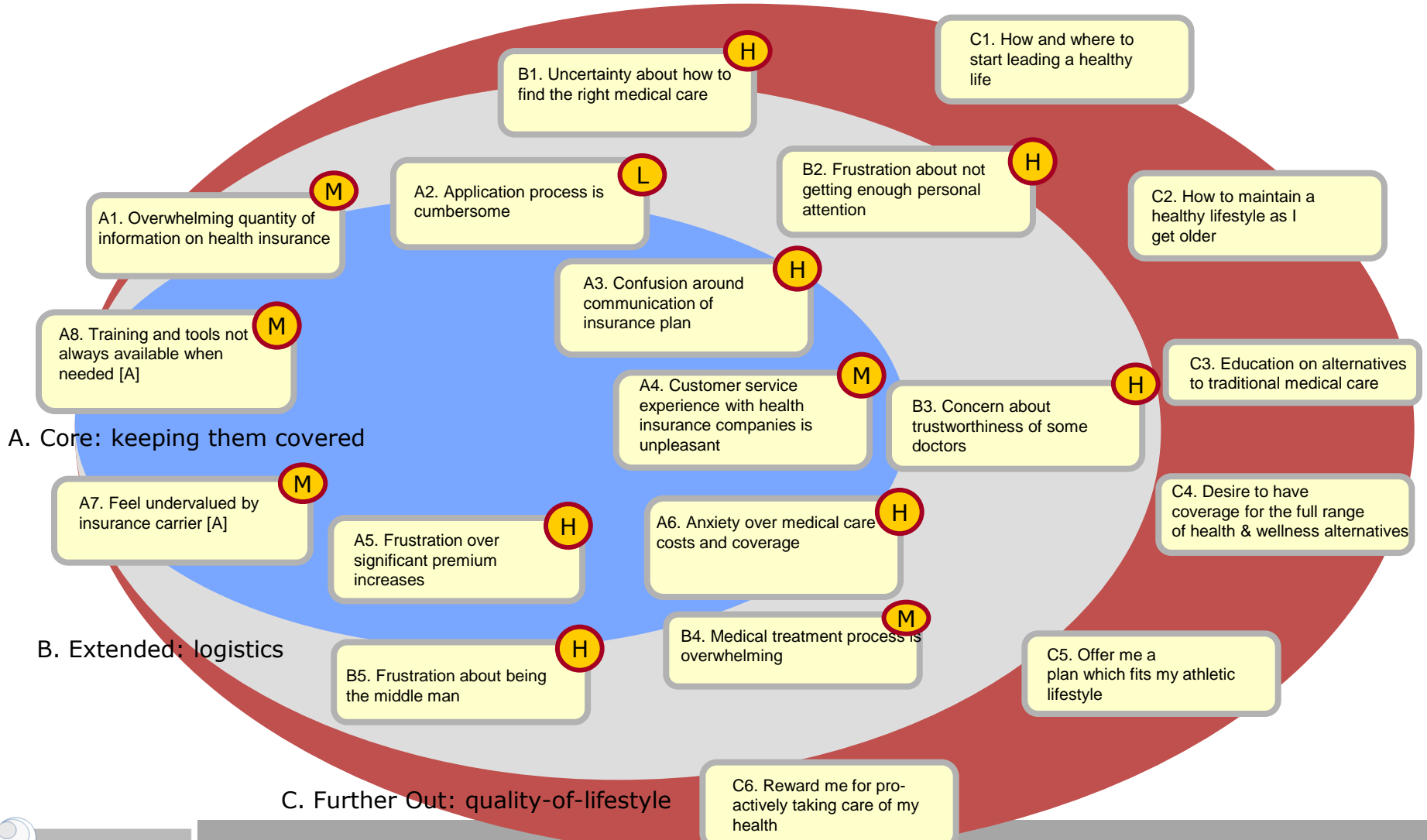


Demand Landscape (Demand Space)



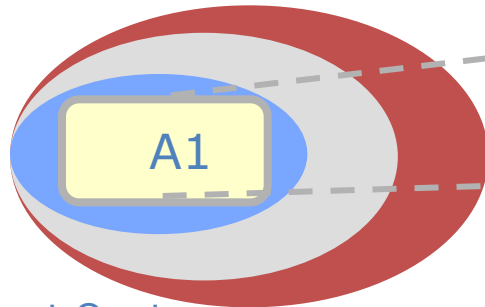
World of Pain (Supply Issues)

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

- I am confused because there is a large quantity of complex insurance information to sort through
- I am frustrated by how hard it is to get the information I need
- I am frustrated because I don't have the basic knowledge in order to buy (or sell) insurance
- 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]

H

M

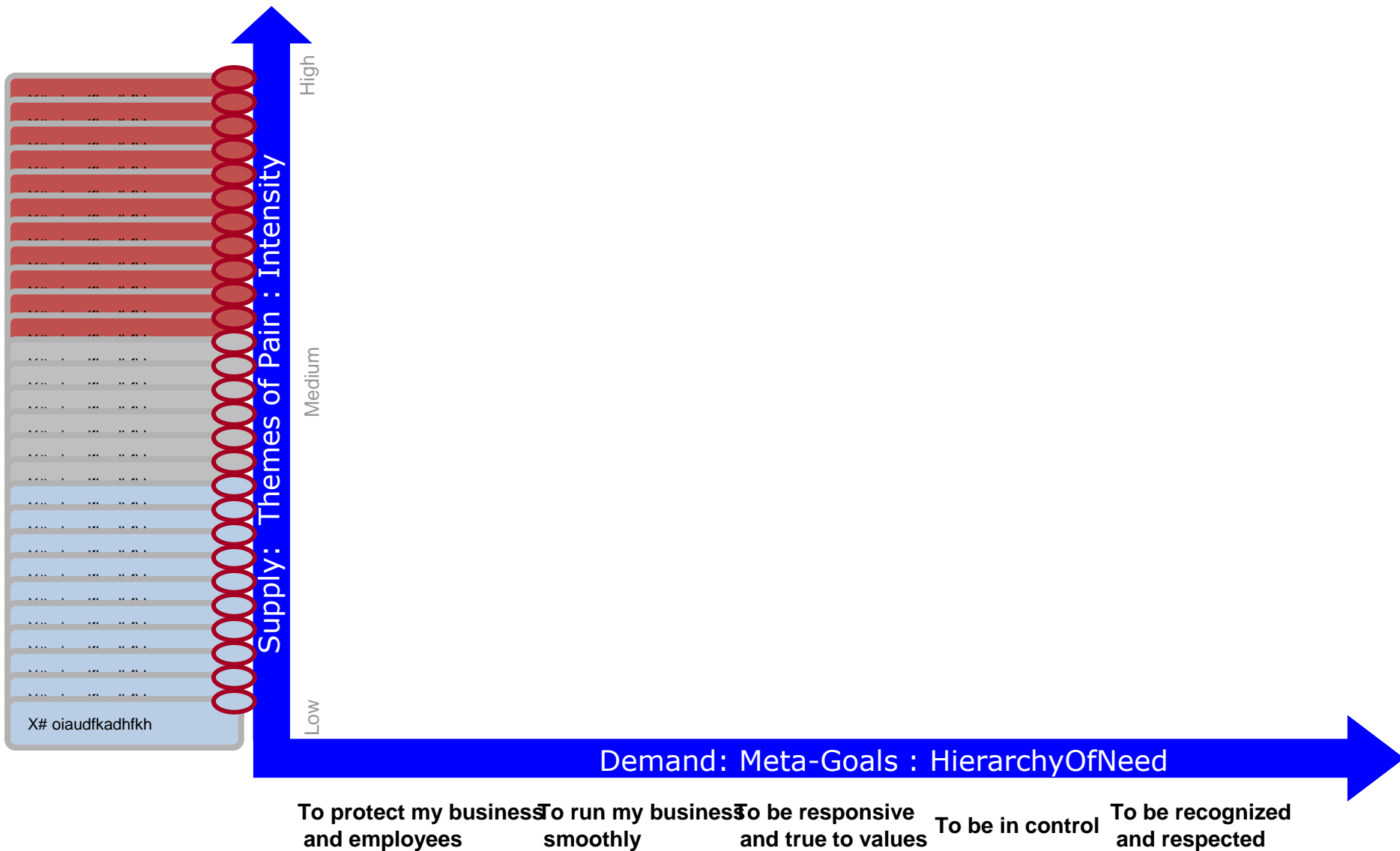
M

L

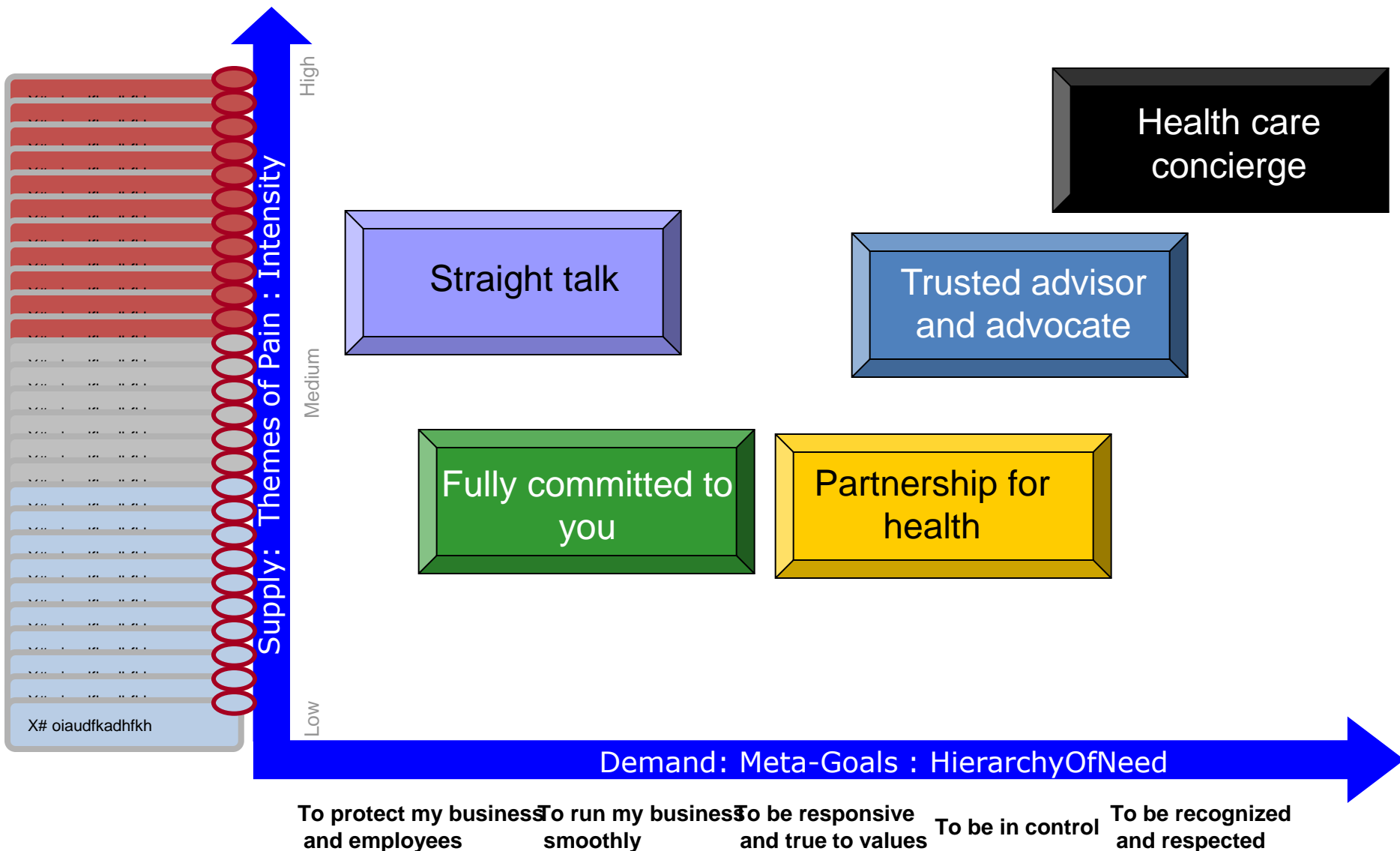
Overall Intensity

M

Opportunity is found at the collision of Demand and Frustration



To create growth platforms, identify opportunity spaces for innovation



- Ideas \neq Products
- Opportunity \neq 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”



Deliverables

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

A. Core

- Simple language in consumer collateral (L)
- Provide online resources for common illnesses and diagnoses (H)
- Cross-trained team to handle most calls and link compensation to CUSL adoption (H)
- Establish 24/7 nurse hotline to answer key questions (M)
- HAS wizard teaching tool to explain savings accounts and eligibility (H)
- Provide ratings and referrals of medical care providers (H)
- Offer premium rebate if maintain healthy profile in a subscription year (H)
- Offer discounts for vitamin supplements (GAC) (M)
- Referral requirement waived if medical history fits qualification (H)
- Provides coverage (even prior) for select alternative medicine practices (OTC) (M)

B. Adjacent

- Provide caseworker to a new healthcare navigation - assist with insurance and healthcare (M)

C. New Market Opportunities

VivaldiPartners

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

Core Team Workshop

Deliverables

Prioritized concepts

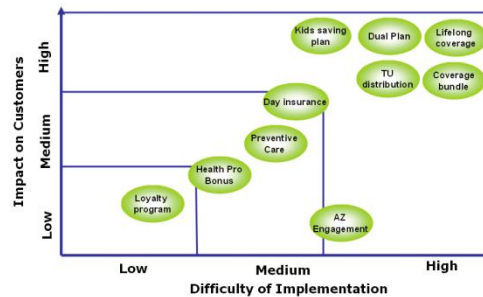
Growth Playbook recommendation

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 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

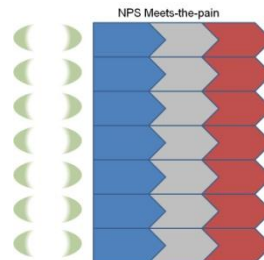
Deliverables

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

