

My Customer, My Innovator

by Ken Evans

WANTED!Customer Collaborator
and Innovator

Engaging your customer in creating new and innovative products and services is a win-win for both of you. You can develop an in-depth understanding of your customers' business, and your customers can creatively enhance your offerings in ways you may have not imagined.

We work with many clients who espouse "Solution-Centric" and "Customer-Centric" philosophies. But we have observed that often these philosophies are little more than marketing gravy—they make a stale offering taste a little better. While clients wedged into this thinking do indeed address some of their customers' problems and needs, the question they should be asking themselves is, "Is that all there is?" Would their customers agree that their solutions are really the best and most cost-effective they can offer?

It's a matter of impact.

Many of our clients are product-centric. Their sales force translates their products and services features into solutions and sell them that way. Some examples of things they do to become more solution-centric include:

- Bundle products and services.
- Tweak a product with an additional value-add feature.
- Package product and services to address a specific buyer's function, such as "Our Retail Banking Offering."
- Rename a product. For example, "Hammer" becomes "Carpentry Solution."

But in our view, our clients are at their best when they have delivered a solution to a customer that has been jointly designed, test-driven, justified, and implemented.

Here are some examples of successful joint innovation:

- A consumer goods firm shared its consumer data, modeling tools, and research with a retail client. Imagine the value of targeted consumer behaviors and attitudes at the time of purchase and product consumption or application to a retailer. Conversely, the retailer shared merchandising research and strategies with the consumer goods company. This collaboration created a joint win for both companies, and became the foundation for a deeper, sustainable relationship.



- A telecommunications technology firm shared its product design tools and simulations with select communications technology buyers. This allowed the firm and its customers to assess various architectures and the expected performance and business value of impending investment alternatives. Again, the end customers' business outcomes improved with a level of certainty that was jointly conceived and tested. This mitigated risk for both parties.
- Collaboration need not be limited to your customers. One of our clients, a major software company, recruited a hardware engineering firm to help address a customer need—how to track the global assets of an energy services giant. The software company worked with several of the firm's radio frequency identification experts to deliver a customized, cost-effective digital enabling technology to manage the assets. This created a springboard for significant growth for the software company in new areas within the customer company. Again, business impacting solutions.

Do you have what it takes?

We have observed the following common attributes among our clients that innovate successfully with their customers:

- They think of themselves as collaborative problem solvers.
- Their communications to the market are filtered through a problem/solution prism.
- They proactively promote joint collaboration and investment towards common goals.
- They do not collaborate with everyone.
- They engage their operations and product subject matter experts on customer-facing teams.

The end result? Companies and their customers learn far more about each other—and themselves. Information flows freely, designers have a clearer picture of what customers need, and the resulting products are more successful in the marketplace.

How to Nurture Customer Collaboration for Innovation



Explore new territory. Use voice of the customer interviews to explore new areas or validate hypotheses. Solicit your customers' unmet needs. How can you expand the scope of your solutions to meet them?

Develop an in-depth understanding of your customers' business. Identify solutions for problems not yet causing pain. How can you enhance the entire customer experience?

Don't dismiss unusual customer requests. These can often be indicators of new opportunities. How can you leverage complementary or add-on products and services to capitalize on seemingly off-point requests?

Engage your customer in your product/service design process. The creative give-and-take generates new ideas and validates existing plans. How can you satisfy a market segment and gain a competitive advantage?

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