Building Your Innovation Toolbox for Successful Co-Creation

Innovation management has become one of the most critical factors contributing to sustained business growth. Co-creation is an extremely powerful driver of innovation provided that you manage the process and harness social technology. In this article Catherine Constantinides takes a closer look at the different tools you need to consider to be successful.

Spurred by advances in technology and changes in social trends, organizations are responding to fluctuating market dynamics and economic conditions by implementing strategies that put the customer at the center of the product development process. Used as a powerful innovation strategy, co-creation helps organizations get closer to their markets and reduces the "fuzziness" of the front end innovation (FEI) process.
Venkat Ramaswamy, a prominent thought leader in the co-creation space, defines co-creation as *"the close involvement of consumers, as active participants collaborating with designers and product managers, in the development and delivery of new products"*.
Conceptually, the term has received some criticism, being referred to as a modern marketing 'buzzword', lacking concrete examples for practical application in product development. However, with the right processes and tools, co-creation can be effectively used to manage the difficult front end of innovation.

Co-creation reduces the difficulties at the front end of innovation

In the recent article: *Strategic Innovation and the Fuzzy Front End*, Idris Mootee, CEO of Idea Couture, defines the "fuzzy front end" as an *"insight-driven, prototype-powered and foresight-inspired search for new ideas that can be applied to products, services, experiences, business strategies and business models."* Managing an idea generation process that is creative and analytical presents several difficulties.
How do you successfully develop and implement a customer-centric innovation strategy with co-creation at the core?
The FEI process essentially includes all idea management activities—from the capturing and elaborating of ideas, through to the formal development of a new idea into one or several requirements. At the same time, customers are demanding a more interactive, and social online experience with products and brands. The FEI process is therefore usually characterized by uncertainty as product experts must not only seek out new ideas, but also decide which ideas and product features should be selected for future development. Including customers in this process is paramount, for it reduces uncertainty and greatly facilitates the idea generation process. However, with the multitude of methods available for customers to communicate, organizations must be able to reach customers where they live, to capture, and manage their valuable insight.

Asking the right question

The question that needs to be asked is: How do you successfully develop and implement a customer-centric innovation strategy with co-creation at the core? The solution is to integrate the right "social product development" tools into your innovation process.
More specifically, a well-defined co-creation action plan requires social product development technology capable of:

- Quickly and efficiently capturing, clarifying and integrating customer insights from various channels of communication (email, web, phone, help desk, social media, feedback portals) into the planning and development cycles.
- Analyzing customer insight with powerful 'insight assessment' tools like community voting, financial analysis, customer satisfaction, and strategic alignment, that enable the ranking and selection of ideas, based on real-world data, customer priorities and organizational goals.
- Providing customers with regular status updates, keep them tightly integrated in the decision loop, and informed of any changes made to the feedback they have submitted.
- Collaboratively engaging all stakeholders throughout the phases of the product development process as ideas are revised and refined.

Your innovation toolbox:

In order to full*y* manage the FEI process, organizations should add the following product development applications to their toolbox:

1. Social media monitoring
2. Idea management
3. Customer service and help desk
4. Requirements analysis and management
5. Social collaboration

Tool #1: Social Media Monitoring

The use of social media as an enterprise tool is increasing, making it a crucial component of any innovation management strategy. The reality is customers are already openly vocalizing their opinions and feelings toward your products. Listening, engaging and responding to what customers are saying about products or brands on social sites like Twitter, Facebook and blogs is no longer just a social activity.

Toby Bell, researcher at Gartner Inc, highlights the need for social media monitoring to become an *"essential piece of any company's risk management and customer engagement strategy."* It is without exception that any co-creation effort should include social media monitoring as a way to engage and involve the customer community in a process they can actually see and influence in real-time.

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Social media monitoring tools help the innovation process by allowing multi-disciplinary teams to listen to the social web and respond to customers directly, and elaborate the details of their feedback and transform ideas, comments, issues and questions into valuable insight that can be piped directly into the product development process. It is also a great method to discover untapped markets, new innovative ideas and stay abreast of the competitive landscape.

Tool #2: Idea Generation and Innovation Management

Managing customer insights at the front-end of innovation requires a systematic process and comprehensive idea management tools, so that ideas are captured from various sources, organized, and funnelled into the product development workflow. These activities ensure the right creative and analytical decisions are made quickly and in real time. This also allows you to take immediate action by linking them to requirements and project management applications. The benefits associated with proper idea management are reduced product iterations, costs and time-to-market.

Tool #3: Customer service management and help desk

The co-creation process for innovation must include a customer service component. As customers increasingly use the social web as a means to express issues related to products and services, organizations must have the right tools to effectively capture this insight. Help desk and customer service management tools greatly help organizations reduce response time, automate and track of support inquiries and organize them into a customer knowledge base. Today's cutting-edge helpdesk software is no longer used as a tool to field support emails— it provides a systematic and automated process that identifies customer issues

and captures inquiries across various channels, whether it be by phone, email, or the social web, during the early FEI stages and throughout the course of the product development process.

Tool #4: Requirements prioritization and management tools

Today's competitive marketplace and economic climate is forcing organizations to make the right product decisions in a more cost-effective and timely manner. That is why it is crucial for organizations to confidently identify and select the best and most profitable requirements to implement. Requirement analysis tools provides calculations and allows for the comparison between customer satisfaction scores, financial analysis, strategic alignment analysis and customer popularity scores. These tools essentially save your organization time and money by ensuring decisions are made based on customer needs, budget constraints and established business goals supported by real-world data.

Tool #5: Social Collaboration tools

Recognizing the value other stakeholders besides customers, like employees and business partners, can bring to the product development process is also imperative. A well thought out co-creation strategy must create a shared process that utilizes cutting edge social collaboration tools, like discussions platforms, chat and blogging that all team members can leverage to collaboratively pursue innovation efforts. This collaboration needs to be structured enough that business goals are kept in mind and relevant discussion can be easily surfaced and traced when necessary.

Putting it all together

All stages of product development are inter-linked and tools must form a tightly knit systematic process that supports effective management of innovation. The reality today is that in order to build a complete innovation toolbox an organization needs to invest in several disparate tools and this can be a cumbersome and expensive process. What is therefore required is an innovative social product development platform that fully supports the seamless integration of all key product development applications. A system that 'puts it all together', "unfuzzes" the fuzzy front end of innovation and involves customers, partners and employees at every stage of development, will have a direct impact on the successful execution of an organization's innovation strategy. The right products will be developed and delivered to market faster and more cost efficiently.

Share your thoughts:

What is in your product innovation toolbox?
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