

Creating consumer-led product formats and new business models



Situation

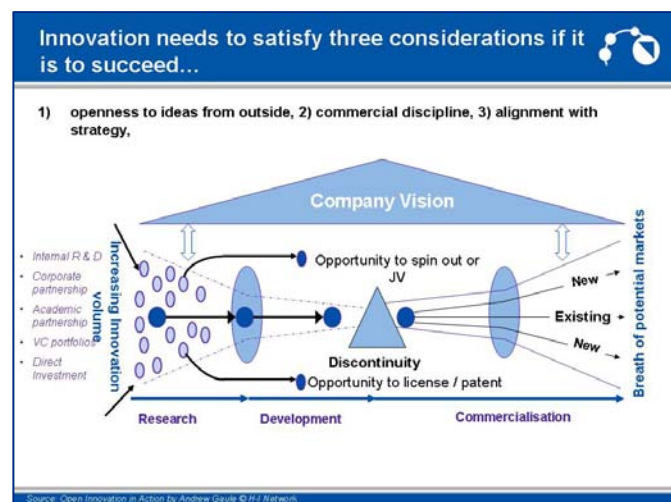
Leading corporations are facing the challenge of revising product formats to meet new consumer demands. Product formats may be revised for convenience, to be more portable, more shareable, healthier, more age specific, or may confer more status. Often this does not require new technological solutions. Products may be produced in different sizes, in different packages, and in combination with other products and/or services. Often realising these solutions is beyond the core capability of the current supplier. Solutions may need to be sought, designed, and produced using new business models and in particular using partner organisations in the spirit of the wider model for open innovation. That is, by thinking of open innovation beyond simply seeking new technologies from other parties.

ITCM has a worldwide reputation for developing innovative products and associated production and packaging machinery solutions for its clients. Since 1985, it has accumulated the experience and expertise to offer robust, efficient and reliable manufacturing solutions for a wide variety of innovative products. It wished to bring together organisations from different industries to explore how consumer-led innovation is, and should be, undertaken using an open innovation approach.

Objectives

The key objectives of the ITCM Tailored Programme were to:

- identify how organisations determine consumer needs
- understand the major drivers of consumer demand
- identify examples of new product formats that are emerging to meet new consumer demands
- understand the new business models that can deliver these new product formats and the factors that are critical to their success
- utilize leading H-I thinking on Open Innovation to drive out new approaches
- create connections between participants that could be progressed after the programme



Innovation case study

Approach

H-I Network used its expertise in open innovation, consulting experience and extensive network of contacts to create a tailored programme.

The programme stages included:



- Detailed discussion on the objectives and definition of successful outcomes for ITCM
- Creation of a 'wish list' of attendees to include different industries and different approaches
- Individual interviews with managers from target organisations
- De-brief with ITCM on the results of the interviews resulting in the design for a workshop and selection of attendees to invite
- A facilitated workshop featuring case study presentations from P&G and Premier Foods followed by a session to identify issues to explore and key learning points.
- Presentations and key findings distributed to all participants

ITCM-specific recommendations created and discussed as the basis for new marketing tactics

Participants: BASF, BAT, DSM, Ordnance Survey, P&G, Premier Foods, Qinetiq, Enterprise Hub Network

Results

The programme delivered rich insights into the variety of methods used to get 'below the surface' when identifying customer needs, and how organisations seek (or do not seek) others to participate in identifying needs, designing solutions, and delivering products and services. There were particularly useful insights into the different business models that can be employed and the factors required to make each one successful. The programme has also created bilateral connections between organisations to share consumer insights, transfer package capability between different sectors and build relationships for future collaboration opportunities.

Bruce Paxton, Managing Director of ITCM said:

"The H-I Network programme gave us highly valuable insights into a wide variety of organisations and specific introductions to practitioners who were willing to assist ITCM in developing its approaches including sharing their values and working methods. We could not have gained this depth of knowledge in so short a time by any other method. The ongoing relationship and contact with the H-I Network members is adding considerable value to our open innovation process which is worth considerably more than the H-I Network membership."

Simon Strothers, New Business Development Director said:

"I gained many insights into how to truly understand the needs of ITCM's customers and their customers. In addition the interview notes and discussions have generated many ideas as to how to connect with customers 'innovation initiatives'."



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