

When and How to Embed Customer Co-Design into Your Projects

What Customer Co-Design Options Fit Your Purview?

By Patricia B. Seybold, CEO & Sr. Consultant, Patricia Seybold Group

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NETTING IT OUT

Business and consumer customers are happy to co-design improved solutions with your team. Customers like being listened to and taken seriously. They enjoy helping you come up with new ideas and approaches. Customers are happy to provide valuable context that will help you make your new solutions successful faster.

There are at least six opportunities we've found to embed customer co-design into the projects you're already doing. Which of these opportunities make the most sense for you will depend on your role in your organization. You can only embed customer co-design into initiatives where you're in charge and you can allocate resources. As you'll see, customer co-design can take many forms.

The bottom line: Use customer co-design early and often.

WHEN IS CUSTOMER CO-DESIGN APPROPRIATE?

When You Want to Succeed with Customers

It's certainly possible to design experiences, systems, processes, and products without involving the intended users of those solutions. In fact, a great many products, web sites, mobile apps, and experiences are designed first by creative individuals or teams. These solutions are then rolled out and piloted with their intended audiences. End-customers provide useful feedback. The designs are then refined. But why would you want to invest your scarce resources in designing something that may miss the mark? Why not take advantage of customers' willingness to contribute their ideas? Why not engage with your firm in order to ensure rapid adoption and a faster path to profitability?

How Will *Your* Firm Benefit from Customer Co-Design?

Co-designing with customers is mutually beneficial. Customers feel valued and understood. They help you design solutions that work well for them. The result: rapid uptake of new offerings and greater customer loyalty and evangelism. By working side by side with customers, the people in your organization gain valuable insights into customers' needs and context. By acting on those insights, your team gains faster adoption of new products, services, or processes, and increased ROI.

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Embed Customer Co-Design in Your Culture

The most customer-centric organizations practice many types of customer co-design. The ideas for new products or services often *come* from the members of their Customer Advisory Boards. The customers who participate in online self-service communities also recommend and vote on new capabilities or enhancements. In customer-centric firms, everyone monitors customers' discussions in online communities. The many executives who eavesdrop on these customer discussions often spot new needs before they're fully articulated.

When customer-centric companies do *internal* business process redesign and IT projects, they get customers engaged. They kick off their internal projects with customer co-design. That way, they can streamline both the customers' processes and their own processes simultaneously.

Customers are intimately involved in the design of any customer-touching experience: shopping online and offline, new web sites or mobile apps, new business forms or invoices, improved processes for returns-handling or credit approval.

Product developers wouldn't think of designing a new product or service without customer input from the outset and without customers involved at every phase of design. These firms' user experience professionals observe how customers do things today in order to understand customers' context deeply. User experience designers engage customers in usability testing as they refine the designs of any new or improved products and/or services.

This two-tiered CAB + Innovations Teams approach turned what could have been a passive CAB into a driving force in the development of new win/win service offerings.

Six Key Opportunities to Engage with Customers

Over the past thirty years, we've learned that there are particularly opportune times to reach out to customers (or to prospects). Here are the six opportunities that many firms use to engage with customers proactively:

1. Benefit from customer advisory boards (CABs)
2. Embed voice of the customer (VOC) into the firm's culture
3. Co-design a unique branded customer experience
4. Streamline customer-impacting processes
5. Co-develop new or improved products or services
6. Profit from customer ecosystems

Benefit from Customer Advisory Boards. CABs become part of your business strategy co-design if you recruit your most insightful customers. Get customers working together with your top execs to address your thorniest business issues. Have these insightful customers identify and scope their most critical unmet needs.¹ Circle back with them regularly to show them how their insights are shaping your strategy and to get them involved in piloting new solutions.

¹ For more information about how to run Customer Advisory Boards that deliver results for both you and your customers, see: "[Creating Customer Advisory Boards that Your Customers Will Love!](http://dx.doi.org/10.1571/bp09-13-07cc) How to Design a Successful 'Outside In' CAB Program for Your Customers and Top Executives," by Patricia B. Seybold, September 13, 2007, <http://dx.doi.org/10.1571/bp09-13-07cc>

One of the most effective approaches we've seen for combining Customer Advisory Boards with customer co-design was an initiative in 2010-2012 by a large industrial manufacturer's North American services group. A start-up business unit that was developing new services recruited insightful operational executives from a representative set of client companies to act as advisors. Through interviews and CAB meetings, these customer executives agreed upon priorities that would improve their own operations. Once the priorities were agreed upon, the customer executives also appointed their own subject matter experts (SMEs) to participate on innovation teams for an 18-month period. These supplier/customer innovation teams met face-to-face and participated in co-design sessions with monthly phone meetings. This two-tiered CAB + Innovations Teams approach turned what could have been a passive CAB into a driving force in the development of new win/win service offerings.

Embed Voice of the Customer (VOC) into the Firm's Culture. Ideally, employees in each functional department in your organization are able to observe customers talking among themselves in one or more 24x7 online customer focus group(s). Customers talk with one another about their issues, their lives, and how they use your products and interact with your firm. If employees spot an opportunity in those conversations and want to dig deeper to gather more context and requirements, they will. They can interject questions or polls. And, when someone in the company has an idea they want to check out with customers, they can easily do so. Citrix, Hallmark, Unilever, Kraft, RC2, and Charles Schwab have all benefited from these kinds of ongoing, online focus groups.²

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we've seen in action are not marketing-driven or project-related.
They have become part of the culture.*

The most vibrant examples of embedded VOC we've seen in action are not marketing-driven or project-related. They have become part of the culture. These online customer communities typically begin as part of the firm's customer service infrastructure.³ Customers are encouraged to participate in online discussion forums and to offer solutions to each others' problems or application questions: "this isn't working," "how do I do X?" "is it possible to do Y?", "has anyone tried this?" But—and here's where the innovation occurs—these customer conversations don't remain siloed in the customer service department. Instead, they are monitored and harvested by key executives throughout the firm. Execs from the product R&D organization, from operations, sales, professional services, field service, branch outlets, product marketers, IT execs, finance execs, as well as external partners,

² See: "[How Citrix Evolved Its Online Community of Customer Advisors](http://dx.doi.org/10.1571/bp08-06-09cc): How to Recruit and Manage a Private Customer Community," Interview of Andrea Davidowitz by Patricia Seybold, August 6, 2009, <http://dx.doi.org/10.1571/bp08-06-09cc>; and "[Bathing Your Organization in Real-Time Customer Context](http://dx.doi.org/10.1571/cs6-22-06cc): Using Online Communities to Understand Customers' Passions, Issues, and Needs," by Patricia B. Seybold, June 22, 2006, <http://dx.doi.org/10.1571/cs6-22-06cc>.

³ For more discussion around the kinds of customer communities that provide good VOC, see: "[Build Community Around "My Stuff"](http://dx.doi.org/10.1571/csp11-10-11cc): How Will Online Communities and Social Networks Evolve?" by Patricia B. Seybold, November 10, 2011, <http://dx.doi.org/10.1571/csp11-10-11cc>; and "[Integrating Community into Customer Support](http://dx.doi.org/10.1571/psgp12-14-06cc): What's the Ideal Relationship between Customer Support and Your Online Customer Community?" by Matthew Lees, December 14, 2006, <http://dx.doi.org/10.1571/psgp12-14-06cc>.

all become part of the online community and conversations. These execs vie with one another to spot new product and service opportunities. They listen as customers talk among themselves about their issues. In doing so, they spot opportunities for improvement. Then, they engage directly with specific customers—both in online discussions and/or in actual co-design activities—to inform their own initiatives. If you want to see these kinds of vibrant customer communities in action, check out the many online customer communities at [Intuit](#), [National Instruments](#), and [LEGO](#), to cite just a few.

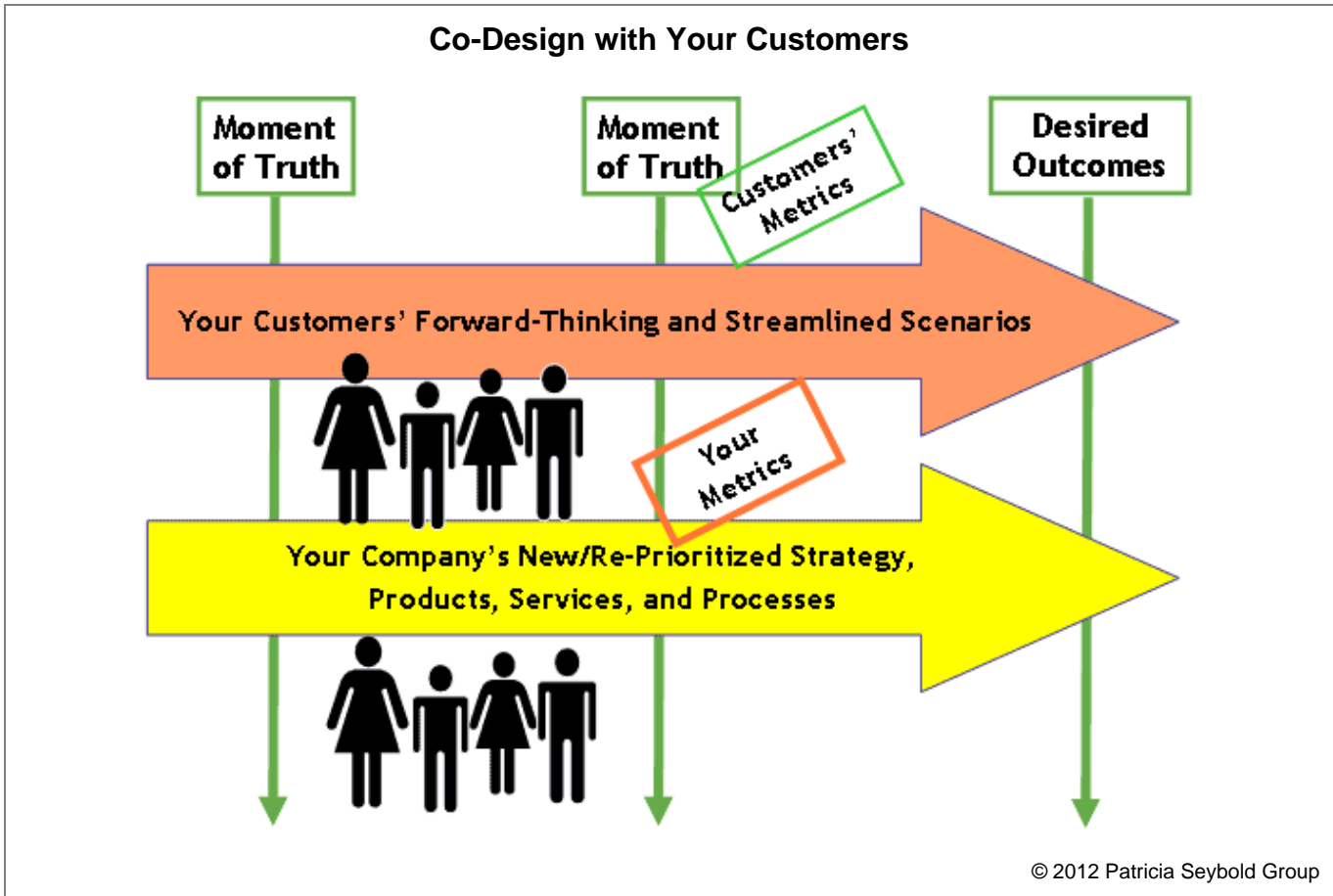
Co-Design a Unique Branded Customer Experience. The best way we’ve found to design great customer experiences is to involve customers directly. Inspire customers to design how they’d ideally like to get things done, including what tools and information would be most valuable to them in their specific contexts. Customers may not imagine the many brand-specific ways you could delight them. But they’ll tell you where their pain and issues are and what frustrates them the most. They can identify the parameters for what success looks and feels like to them. Then it’s up to your team and your ingenuity to surprise and amaze them by “anticipating” their moments of truth and delighting them at each one. (Sometimes customers *can* tell you what would delight them, if you ask.)

Many customer experience teams solicit and use customer input when they’re improving or designing new products, services, or brand experiences. Often these teams will map out the ideal “Customer Journey” through a typical customer lifecycle (from need awareness through product acquisition, usage, and renewal/upgrade) looking for the key points at which to delight customers in each interaction.

One of the key benefits reported by the many firms who have engaged customers in designing their own ideal experiences is that they learn exactly what, when, and where to monitor customer experience.

The most successful of these efforts occur when representative customers (from each major target audience) are *directly* involved in:

- **Identifying their most important activities:** “selling my plan to my family or my boss,” “getting everyone set up quickly,” “dealing with an unexpected problem.”
- **Describing (or mapping out) their *ideal* customer experiences for those important activities.**
- **Specifying their showstoppers:** “Don’t make me feel stupid!” “I don’t know what’s going to happen next!” “I don’t trust that I got the best deal I could!” “Don’t make me remember my account number!” “Don’t ask me for the same information over and over again!”
- **Identifying their critical success metrics:** “I have direct access to the smartest, most well-informed people in your organization—there are 3 specific people I can contact who will have the answers I need, and who know my/our situation;” “I can see/know exactly where I am in the process and what steps are next and what’s required for each step;” “I can easily verify that our total cost of going with your solution is within 10% of the top 3 competitors;” “I can identify myself to your people/systems with any one of these 3 (user-specified) kinds of information;” “Every representative I interact with has access to my/our complete history of interactions with your firm.”



One of the key benefits reported by the many firms who have engaged customers in designing their own ideal experiences is that they learn exactly what, when, and where to monitor customer experience.⁴ For example, Agilent's Chemical Analysis and Life Sciences division used this customer co-design approach to redesign the end-to-end customer experience for customers who purchase and use their equipment, software, and supplies in labs around the world. The customers' success metrics replaced many of the firms' previously internally-focused Key Performance Indicators (KPIs). This led to very precise customer experience improvements in the areas that impacted customers' and Agilent's bottom lines.

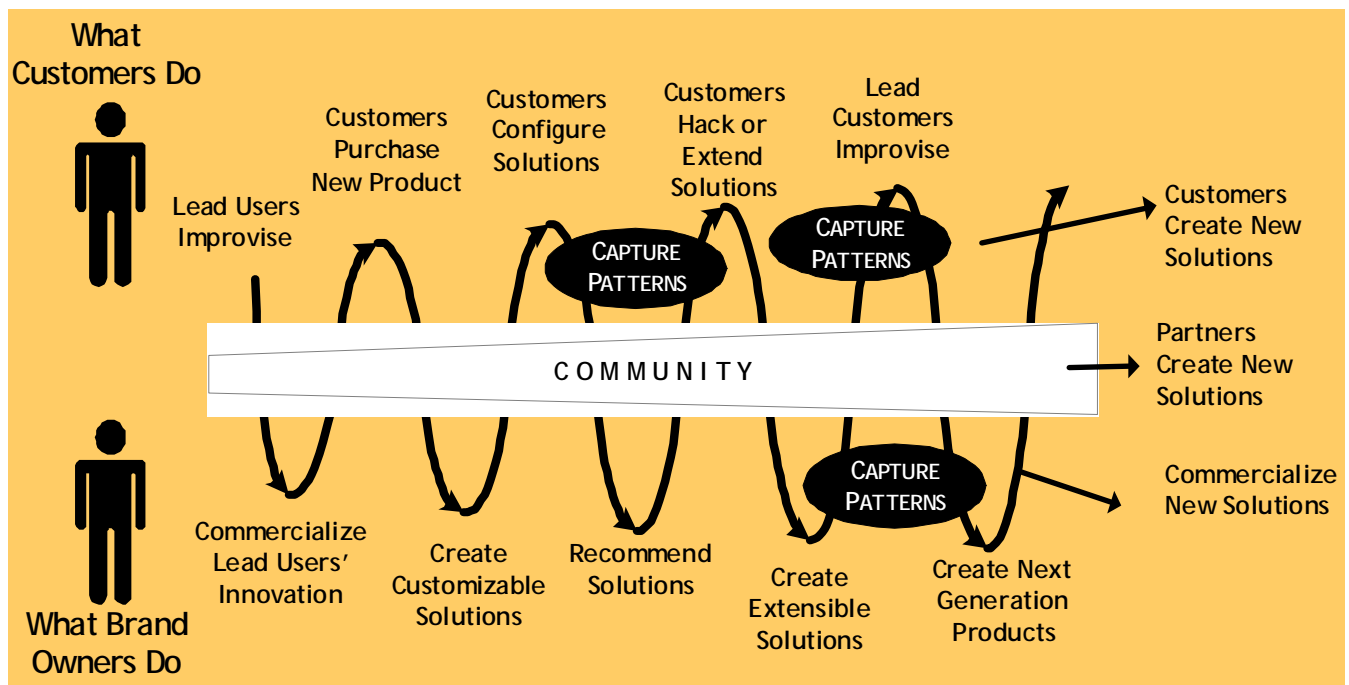
Another example of a company that has done a good job of co-designing its customer experience (in store and online) with customers is Staples. Staples engaged its customers in specifying the merchandise categories they should use online, in the stores, and in their catalogs. The customers also

⁴ For a good overview of how to measure what matters to customers – their customer experience success metrics – see: "[How to Monitor Your Return on Customer Experience: Develop and Use a Quality of Customer Experience \(QCESM\) Operational Scorecard](#)," by Patricia B. Seybold, September 29, 2011, <http://dx.doi.org/10.1571/me09-29-11cc>

determined which products should be categorized in which categories through online card sorting techniques. The result for Staples: increased sales per customer.⁵

Streamline Customer-Impacting Processes. Every firm has major initiatives (new IT infrastructure, better business processes, new product launches, expanding into new regions or new markets, and so on). The most enlightened organizations kick off these projects by deeply understanding both the impact on customers and the opportunities to improve things for customers. They design from the customers in, not from the internal processes out! Customers love to be engaged in these kinds of projects. To them, it's not "airing dirty laundry," it's giving them an opportunity to get in on the ground floor to make their world better.

Customers Co-Design Solutions by Configuring Their Own Customized Solutions



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When you design products that customers can customize themselves, you can learn from their customizations what configurations other customers are most likely to want. You can also learn by watching customers hack or extend your products in order to create a solution that is more useful or pleasing to them. These customer-extended solutions may contain much of the recipe for your next generation offerings.

The most successful of these efforts we've seen have occurred when the sponsor for the business process initiative recognizes that gaining a clear picture of customers' priorities should occur at the

⁵ See: [Staples®](http://dx.doi.org/10.1571/cs6-8-06cc): Customers Help Bring a Customer Experience Promise to Life," by Patricia B. Seybold, June 8, 2006, <http://dx.doi.org/10.1571/cs6-8-06cc>

beginning of the business process redesign effort. We've participated in both B2B and B2C initiatives. Both work well. Customers are interviewed, recruited, and engaged in the design of *their* parts of the process being redesigned *before* the internal redesign takes place. For example, by starting a major ERP transformation project with customer-co-design, ATB Financial Services in Alberta, Canada discovered new credit approval policy requirements for an important customer segment (recent immigrants to Canada). ATB also co-designed new flexible cash flow management accounts for consumers, and better ways for spouses to do investment and retirement planning. All of these (and many other) customer requirements fed directly into their internal business process design and IT design efforts. If they hadn't kicked off their project by engaging consumer and business customers to co-design with them, they would have missed a number of important opportunities.

When planning for the rollout of a new ERP system, several firms began their efforts by co-designing the customer self-service portals for the key activities the ERP system would support. By contrast, other companies spent two years rolling out new global SAP or Oracle applications and only then began to think about how customers would interact with these systems online. As soon as they began to do the customer portal design, they realized that there were important changes needed to the business rules and assumptions they had just rolled out! "We did it completely backwards!" the CIO of a major European manufacturer admitted to us.

When planning for the rollout of a new ERP system, several firms began their efforts by co-designing the customer self-service portals for the key activities the ERP system would support.

Co-Develop New or Improved Products or Services. Customer co-design really sings when customers are engaged throughout the product/service development process. Customers in different roles are happy to participate from ideation through development and deployment. Customers let you observe them in their native environments. They provide their ideas and input about how they'd ideally like to do things. They'll engage in ideation and brainstorming to come up with concepts they can evaluate. They'll give you feedback on initial prototypes. They'll help you refine the product through usability testing and pilots. These customer co-designers will help you figure out how to convince others to try the product. They'll know how to sell it to their bosses or their families. They'll help you design the approaches that make it easy for customers to adopt and/or to migrate to the new offering. Don't limit customers' engagement to usability testing of a product you've already designed. Instead, work with one or several groups of customers to provide input and to help you make the right design trade-offs every step of the way.

Our clients have often "stumbled upon" new product and service design opportunities when they're co-designing with customers. Often the biggest challenge they face is not identifying the opportunity, but moving quickly to find and to fund the right team to take that opportunity from concept to production. In one recent case, a client's important customer clearly identified a multi-million dollar business opportunity that would be of value to his company as well as to a number of other companies in the same industry. The customer even offered to pull together a group of peers from competing companies to help define the requirements and make the business case. But the customer's request fell on deaf ears because what he wanted to do didn't fall into the purview of our client's product development team.

Consumers design custom products, sell them on Zazzle & create their own stores.

Customers Who Custom-Design Their Products Using Zazzle.com Are Co-Designers

© 2012 Zazzle

Customers can customize their own shoes by adding their designs, or by taking someone else's design and adding to it. Zazzle's customization site is embedded in the Keds.com site.

Zazzle's Customization Tools Are Used by Other Manufacturers, Like Keds

© 2012 Keds

The WEBENCH Toolset developed by National Semiconductor and now part of Texas Instruments lets designers configure and test their own designs using parts from many different suppliers, but they also provide near real time pricing and availability for each part.

Texas Instruments/National Semiconductor's WEBENCH® Designer Lets Customers Design, Simulate, Test & Order Parts

© 2012 National Semiconductor

The most successful customer co-design initiatives include customers from the ideation stage (what’s the idea and why is it important/valuable?) all the way through the pilot, deployment, and specification of the next iteration of the product/service (since the first version of anything is always less than complete). You’ll find a great example of customer engagement throughout many phases of product design and development in the case study of the original design and the subsequent evolution of the LEGO Mindstorms product.⁶

One caveat: Many product development teams find it difficult to maintain their relationships with customers throughout the product development lifecycle as the product or service moves from one stage to the next. Each stage typically involves stakeholders from different departments within the organization. Each stage may also involve customers in different roles.

One way to ensure that customers’ priorities inform the entire development process: include customer sign off as a requirement at each stage in the product development lifecycle. This ensures that customers’ requirements and priorities remain top of mind throughout the development process.

⁶ For LEGO Mindstorms’ story about customer co-design, see: "[Lego Mindstorms NXT: Powered by Customers’ Inventiveness](http://dx.doi.org/10.1571/cs3-16-06cc)," by Patricia B. Seybold, March 16, 2006, <http://dx.doi.org/10.1571/cs3-16-06cc>. For the rest of the story, see: "[National Instruments: A 30-Year History of Enabling Customer Innovation](http://dx.doi.org/10.1571/cs4-6-06cc)," by Patricia B. Seybold, April 6, 2006, <http://dx.doi.org/10.1571/cs4-6-06cc>.

There's another great approach to customer co-design of products: smart customization. When you design products that can be configured by customers—whether the product is a Dell computer, a MiniCooper car, a Timbuk2 bag, a Reebok sneaker, a Zazzle skateboard, an electronic component from Texas Instruments, a customized service contract, or a customized credit/debit card—you have the opportunity to spot emerging patterns quickly. You can create new products out of the most common configurations. You can quickly spot new requirements as customers try to add customizations that aren't currently supported.

Profit from Customer Ecosystems. Customer ecosystems are business networks that are aligned to help customers get things done.⁷ Companies, products, and services don't exist in a vacuum. Your firm can't possibly provide everything that customers need. But your ecosystem can. Your firm may sell washing machines that need installation, repair, laundry detergent, and bleach. You sell seats on airplanes to get passengers from one side of the country to the other. You provide loans to help consumers pay for their kids' education. Your firm provides software to keep track of customers. Whatever you sell, there are many other suppliers and partners who provide ancillary and supporting products and services. The best way we've found to design, sustain, and evolve win/win customer ecosystems is to get representatives from *all* the parties together to co-design innovative solutions starting from the end-customers' vantage point.

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The most successful customer ecosystems we've been involved with in a variety of industries attribute their success to these factors:

- a) Customers' most important activities become the design center for the ecosystem.
- b) Key partners and suppliers are engaged with customers in co-designing how to support these customer-critical scenarios. This makes it really easy to identify where each type of partners' services are most important and most valued.
- c) Each target audience for the ecosystem—customers in different roles, selling partners, fulfillment partners, suppliers of ancillary products and services, sponsors/advertisers, content providers, regulators, and so on—has visibility into everything that's important to ensure customers' success.
- d) The information, tools, and resources that are critical to customers' success are shared/used by many of the different parties. For example, when designing a global two-tier partner ecosystem for selling and servicing networking solutions, customers wanted a monitoring tool that would help them keep their networks healthy. Each of the parties in the ecosystem—end-customer, systems integrator, reseller, distributor, networking equipment sup-

⁷ For more information about Customer Ecosystems, see: "[The Next Big Thing](#): Customer Ecosystems: Six Secrets for Designing Business Networks Aligned To Help Customers Get Things Done," by Patricia B. Seybold, January 12, 2012, <http://dx.doi.org/10.1571/bp01-12-12cc>

plier—could use the same tool to gain visibility into the health of the customers' networks in order to proactively avoid any downtime.

What Is a Customer Ecosystem?

A business network that's aligned to help customers get things done

What customers want to accomplish:

- Be fit and healthy
- Have enough income
- Be successful
- Have the right tools for the job
- Design cool/successful products
- Grow profitable crops
-



What customers want to manage:

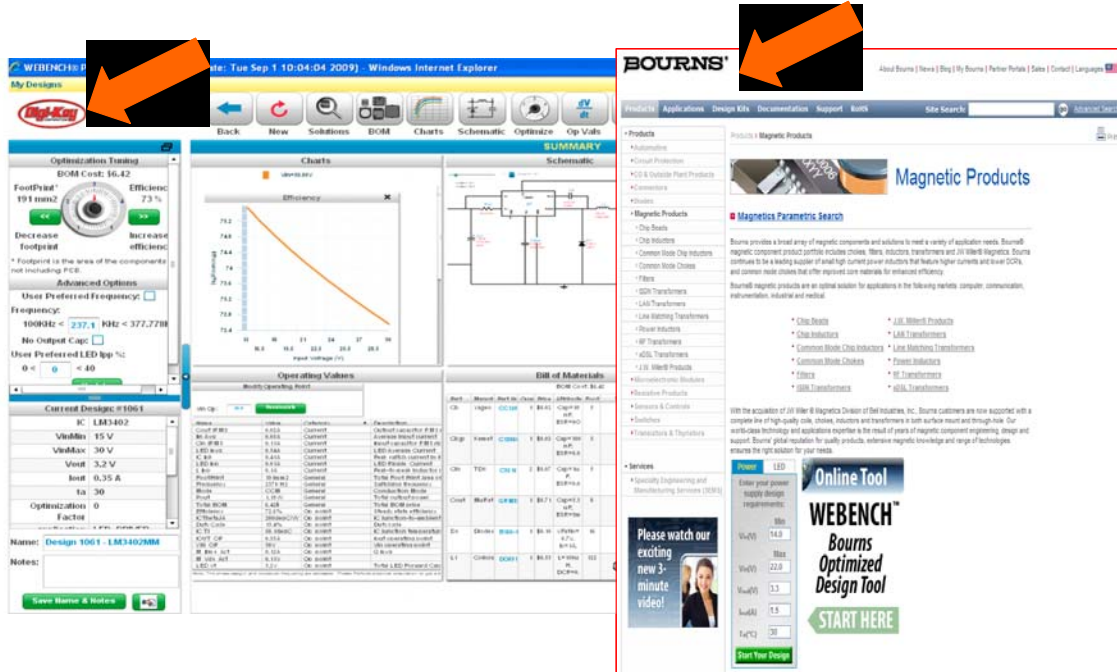
- Their health & fitness
- Their money & investments
- Their education
- Their cars
- Their crops & livestock
- Their clothing
- Their....

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This requirement for a tool that will help end-customers, streamline operations, and improve communications among ecosystem partners is one of the recurring patterns we see in the design of customer ecosystems. Such tools provide end-to-end visibility for all concerned. These shared tools often become an important ingredient in the “secret sauce” that differentiates one ecosystem from another. The brand “behind” the successful ecosystem is usually the party that designs and evolves such a tool. A great example of this phenomenon is WEBENCH[®], a mature set of customer co-design tools developed by National Semiconductor and used to power an entire ecosystem of customers, partners and distributors.⁸ National Semiconductor and its WEBENCH tools and ecosystem are now part of Texas Instruments. (It will be fascinating to see how well the ecosystem survives its transplant from one brand owner to another!)

⁸ See "[How Custom Product Design Can Spawn Customer-Centric Ecosystems](http://dx.doi.org/10.1571/bp01-07-2010): How National Semiconductor, CustoMax, and Zazzle Built Vibrant Ecosystems," by Patricia B. Seybold, January 7, 2010, <http://dx.doi.org/10.1571/bp01-07-2010>; and "[National Semiconductor's New WEBENCH[®] Visualizer Raises the Bar](http://dx.doi.org/10.1571/bp11-13-09cc): A Sophisticated, Yet Simple to Use, Web Dashboard," by Patricia B. Seybold, November 13, 2009, <http://dx.doi.org/10.1571/bp11-13-09cc>

National Semiconductor's WEBENCH[®] is also Embedded in Many Distributors' and Suppliers' Web Sites



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The secret sauce that distinguishes a customer ecosystem doesn't have to "live" only at the mother brand. You can syndicate the brand, the tools, and your secret sauce everywhere customers might be when they're executing their scenario.

Use Customer Co-Design Early and Often

You'll have noticed a common theme in all six of these co-design opportunities: engage with customers first, and keep them engaged throughout. This isn't easy. It's not the way that any mature company actually does things. Start-up firms almost always start by deeply understanding their target end-customers and engaging with people in that target audience early and often throughout the phases of designing and rolling out their offerings. But, as companies become more mature, the processes they use to keep things rolling and to execute smoothly begin to relegate customer input to later phases in any project, if at all.⁹

⁹ See our discussion of the Customer Development Model vs. the Product Development Model in "[Is User-Centered Design the Missing Link? Bridging the Gaps Between Customer Experience and Product Development](#)," by Ronni T. Marshak and Patricia B. Seybold, April 28, 2011, <http://dx.doi.org/10.1571/psgp04-28-11cc>.

HOW YOU EMBED CUSTOMER CO-DESIGN DEPENDS ON YOUR ROLE

Your best bet for injecting customer co-design is to start at home. Depending on your role in your organization, you'll have purview over a certain set of projects. You'll have access to resources to carry out those projects. Start there.

Customer Experience Executive

If you are a customer experience director, VP or CXO, you often have purview over CABs, VOC, and Customer Experience design. You may have purview over the customer experience of Web sites or brand experiences. Typically, CX execs aren't involved in the design of products and services.¹⁰ Here's what you *can* do:

Use CABs to Ideate Business Strategy & Solutions. Focus primarily on evolving your firm's customer advisory boards to be less sales-oriented and less focused on product road map validation. Instead, make sure your customer advisors actually get to specify and prioritize their requirements. Have them brainstorm solutions and opportunities with one another and with your top executives. Ideally, make them a formal part of your business strategy design activities.

Tip: Make CAB participation a requirement for your entire top executive team and schedule your CABs within a month of the company's annual strategic planning meetings. What better way to infuse your top execs with customers' innovative thinking and to ensure they have a deep understanding of your customers' context and issues!

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Make VOC Real-Time and 24x7. Shift your Voice of the Customer outreach from episodic (e.g., when someone needs to satisfy a VOC requirement for an internal process, such as requirements gathering for a new product release) and survey-based to round-the-clock. Enable your employees to eavesdrop on customers' online forums in real time. Let them listen as customers' talk among themselves about your products and their attempts to use them. Let them hear firsthand about the things customers would like to be able to do that you don't have solutions for. You can provide this 24x7 listening via social media tools, using online customer communities, plugging into contact center conversations, site visits, in-store visits, ride-alongs (with the delivery or service van), and so on.

Tip: Don't try to launch *new*, special-purpose online communities or social media outreach. Instead, look for and leverage the places that customers are already talking among themselves.¹¹ Make it both easy and required for all employees at every level to listen in on these customer conversations. Most companies make the mistake of restricting employee access to online customer forums. You will want to set up processes to ensure that your voices don't drown out the customer voices, but don't restrict access.

¹⁰ [Is User-Centered Design the Missing Link?](#), Ibid

¹¹ See "[Community Surfing: What You Can Learn from Communities You don't Own](#)," by Matthew Lees, April 5, 2007, <http://dx.doi.org/10.1571/psgp04-05-07>

Loan Out Customer Experience Co-Design Experts. Build a customer co-design practice and community within your organization. Build an internal expertise in customer co-design. Train and certify your own customer experience designers and co-design facilitators. Make it common practice to engage actual *customers* in the design of the customer experiences your firm provides. Act as a Center of Excellence for customer experience design and customer co-design. Find all the people in other departments that you can train, certify, and then call upon when there's a new opportunity for customer co-design. Then make it really easy and affordable for any project team to avail themselves of customer co-design facilitators and techniques.

Tip: Marry your customer experience co-designers to your product groups' user experience designers.¹² Customer Experience executives often do not have purview over the user interface of the actual products your company offers. So, to improve the user experience your customers have with your products, provide *free* CX tools and co-design support to all the user experience professionals and product managers across your organization.

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Customer Service or Support Exec, Professional Services Exec

Customer service is the first place to look for customer requirements and for customer co-design opportunities. If you are an executive charged with overseeing customer support, the chances are good that your group is steeped in VOC. You already own any online customer communities that are being used by customers to help each other. If you're in charge of professional services, you're already providing valuable services that customers have indicated they need. Your job is to continually discover and charge for higher-value services and to automate and integrate lower-value services into your firm's products. The intelligence that you gather from customer interactions is priceless. It needs to be well-organized, easy to monitor, and constantly mined for new opportunities.

Open Up Your Customer Service Communities to All Employees. Many customer service executives feel that they are lower in the corporate hierarchy than they should be. They're right. A good way to make the value you provide visible to your peers is to make it easy for them to eavesdrop on the context-rich conversations that customers have with one another. Set up easy ways for employees to listen in on customers' conversations. Enable your subject matter experts to respond to customer queries promptly and accurately, while ensuring that you maintain quality control.

Invite Customers to Suggest New Products and Improvements. Who will be better at figuring out what your next solutions should be than the customers who are trying to use your current solutions? Customers who are active on your online forums will volunteer suggestions for next-gen products. National Instruments discovered that its customer not only made suggestions, but they also took it upon themselves to scour through each others' suggestions, organize them into a list, and then ask

¹² For more on the linkage between customer experience and user experience, see: "[How to Think About Your Customer Experience and User Experience Design Strategy: Make CX and UX Design 'The Unique Way We Design Products and Experiences for Customers'](#)", by Ronni T. Marshak and Patricia B. Seybold, June 23, 2011, <http://www.psgroup.com/UX-CX-Strategy-Guidelines.aspx>.

community members to help prioritize the list. Now National Instruments, Dell, Muji (Japanese retailer), and many other companies have created Idea Brainstorming sections of their customer self-service forums. Customers are encouraged to submit their ideas. Other customers vote on them. Product development teams monitor these suggestions and incorporate many of them into their product pipeline.

Co-Locate Customer Support and Your Development Team. Product development teams are usually kept in an ivory tower, far away from the customers. Software development teams, in particular, try to distance themselves from day-to-day support issues. They assign staff to maintain the existing software and to fix bugs. But they insulate the developers who are working on next-generation software from dealing with (and learning from) issues with the products they have already delivered. There are a few organizations, like Intuit, that have discovered the value in co-locating software developers and support personnel. The developers don't necessarily get involved in the support calls, but they hear them in the background. It influences their behavior. They tend to be much more tuned into customers' real world problems.

Tip: Treat customer service as a cherished source of customer-led innovation. When customers tell you what they're trying to do that they can't do, they're telling you what they expect your products and services to deliver.

*Treat customer service as a cherished source
of customer-led innovation.*

Cannibalize your Professional Services. The advice sounds like heresy. But innovative companies eat their young. One of the hardest things for professional services organizations to do is to package up and "give away" the tools they use to add value to customer engagements. But customers aren't stupid. They are often eager to use the same tools that your professionals use. As soon as customers begin asking for access to the tools you use to deliver value to them, it's time to develop new tools and to help them learn and use your existing ones.

Business Process or IT Exec, IT Architect, or Information Architect

If your current responsibilities include business process and/or IT systems design, you have a perfect opportunity to co-design with end-customers. If you're leading Six Sigma initiatives within your firm, plan to use customer co-design to gain first-hand knowledge of customer-critical issues.

Kick Off Internal Initiatives with Customer/Stakeholder Co-Design. You can usually shave six months off your design-to-deployment timeline by using end-customer/stakeholder co-design to get your requirements and your priorities right. Internal initiatives always start with requirements' gathering. But that requirements gathering process seldom includes the firm's end-customers. Yet, there are very few internal-only business processes. Whether you're designing new financial systems, new manufacturing planning, new inventory management, or new sales tracking systems, customers will be impacted.

So, as you pull together the team of core stakeholders who will provide and prioritize requirements, include end-customers. As your stakeholders participate in designing new, improved processes, make sure that customers are also present, and that their needs come first.

When you start your design work from the end-customers' perspective, you'll learn their success metrics. You can align the rest of your business processes to deliver what matters most to customers.

As the project continues, keep your customer co-designers in the loop. As deadlines near, project scope changes, and you'll need their help to prioritize trade-offs.¹³

Tip: Use customer/stakeholder co-design to identify the core IT services you'll need.¹⁴ Core services are the ones that address customer-critical issues. Remember these? "I can identify myself to your people/systems with any one of these 3 (user-specified) kinds of information;" and "every representative I interact with has access to my/our complete history of interactions with your firm." To address these requirements, you'd need: a) a service to authenticate end-users with any of three easy-to-remember values, and b) a service to access customers' profiles and interaction histories.

Product Development Exec/R&D Exec/Product Line P&L Owner

If your current responsibilities include developing new products or services, customer co-design should be a permanent tool in your innovation toolkit. The original product or service idea may come from your customers, from your team, or from a third party. But, wherever the idea arises, there's a lot of work involved to move from conception to consumption. You'll save time and rework if you include customers throughout your product development process.

There are very few internal-only business processes. Whether you're designing new financial systems, new manufacturing planning, new inventory management, or new sales tracking systems, customers will be impacted.

Do Thorough User Experience Research. User experience/customer experience research plays a big role in defining customers' requirements correctly. Watch customers do their activities *in situ*. Interview customers about how they do things and what's hard to do. Engage with groups of customers to co-design solutions that meet their collective needs.

Here's an example of what can go wrong. We had a client whose software development group had developed an entirely new and improved architecture for its next generation offering. When salespeople called on customers to describe the new functionality, the customers were enthusiastic. The head of R&D was sure he had a blockbuster success about to roll out. Yet, when we visited customer sites and interviewed groups of users, we discovered that it was highly unlikely they would be able to adopt the new offering. It would require them to abandon hundreds of applications they had developed in-house based on the existing software. Nobody had taken into account end-customers' migration issues!

¹³ See "[Why It's Hard to Prioritize IT Initiatives around End-Customer Impacting Issues](http://dx.doi.org/10.1571/psgp11-10-04cc):" Current Disconnects between Business and IT; Suggestions for Bridging the Gaps," by Patricia B. Seybold, November 10, 2004, <http://dx.doi.org/10.1571/psgp11-10-04cc>; and "[How to Prioritize Your Roadmap Using Customer Experience & Value](http://dx.doi.org/10.1571/rm11-7-02cc);" Rationalizing Your IT Services Across Projects and Business Units," by Patricia B. Seybold, November 7, 2002, <http://dx.doi.org/10.1571/rm11-7-02cc>.

¹⁴ "[Service Discovery Using Customer Scenario[®] Mapping](http://dx.doi.org/10.1571/soa09-04-08cc):" Building Your Services Catalog," by Brenda M. Michelson, September 4, 2008, <http://dx.doi.org/10.1571/soa09-04-08cc>

Co-Design with Customers in Each Role. Work with different customer roles throughout the phases of your product development lifecycle. Be sure to include all the important audiences and roles. For example, you'll need end-users as well as support personnel. You'll need influencers as well as purchasers.

Tip: Co-design all the phases of the customer's lifecycle with customers in each role. Have your customers design how they ideally want to learn about the new offering, how they'd like to evaluate your solution, what they need to convince others in their families or firms to adopt or switch, how they want to acquire and use it, how they want to integrate it into their lives, what they want to happen when something goes wrong, and how they want to evolve their usage.

Sales or Business Development Executive

If your purview includes working with customers or partners to increase sales and renewals, customer co-design is an awesome tool. Customers love it when the focus is on them. They want to talk about their issues and how they'd like to improve the way they do things. They don't want to talk about your products. They want to talk about their needs.

Having customers co-design how they'd ideally like to get things done with your subject matter experts is fantastic! Everyone on your team comes away with a clear understanding of the customers' context, their constraints, and their showstoppers. What better way to kick off a client engagement?

Co-Design Customers' Projects. Having customers co-design how they'd ideally like to get things done with your subject matter experts is fantastic! Customers learn what your current offerings can already do for them. They can provide input into your next-generation offerings. So they feel that they're an important part of your product development process. Everyone on your team comes away with a clear understanding of the customers' context, their constraints, and their showstoppers. What better way to kick off a client engagement?

The trick is to be sure that you are co-designing things that your organization and/or your extended ecosystem of partners and suppliers can actually deliver. The last thing a sales executive wants is to set unreasonable expectations with their customers and prospects.

Co-Design Your Customer Ecosystem. If your customers interact with partners and/or with other retailers, advisors, experts, integrators, delivery personnel, service organizations, firms who provide parts or replenish supplies, or third parties who develop complementary offerings, you have a de facto customer ecosystem. You want to ensure that all these different parties are aligned around customers' needs and that no one is hoarding customer-critical information. Bring representative customers, resellers, distributors, advisors, and suppliers together to co-design three or four customer-critical scenarios. As long as everyone is focused on what customers need to do, and how they'd ideally like to get it done, competitors will work together to provide streamlined solutions. You'll all discover what the customer-critical issues are. It will be obvious to all which parties in the ecosystem can best address each customer need. As customers define their criteria for success, you can use those success metrics to monitor how well the entire ecosystem is doing *vis à vis* the things that matter most to customers.

Tip: Your ecosystem partners will discover new synergies as they work with your customers. Make it easy for them to continue to partner without getting in their way.

Co-Design the Tools You Should Provide for the Ecosystem. A viable customer ecosystem has, at its core, a set of tools that are shared by all of the members of the ecosystem. These are usually tools that let customers design or configure their own solutions, tools that monitor how well the customer is doing, tools that let customers know when they're about to run out of something, and tools that let customers manage projects involving multiple ecosystem members. You'll want to develop and evolve the tools for your customer ecosystem. The best way to do this is to co-design them with end-customers and with all the relevant parties. Don't plan to make money by selling these tools. Do plan to use the tools and the information they gather to deliver a fantastic end-to-end experience for customers. Put customers in control of the information being gathered on their behalf. Let customers decide what information they want to share with which ecosystem partners. You may be providing the free tools. But customers own the information that's being gathered as they get things done using your ecosystem.

Your ecosystem partners will discover new synergies as they work with your customers. Make it easy for them to continue to partner without getting in their way.

Invite Your Peers to Participate in your Customer Co-Design Activities

Over time, you can form alliances with your peers in other parts of the organization. One good way to form those alliances is to keep your peers informed of the ways in which you're working with customers.

In fact, invite your boss, your boss's peers, and your peers to participate in the customer co-design activities you sponsor. You always need key stakeholders from different parts of the business for each customer co-design effort. Select the highest-level execs you feel you can interest in customer co-design. Once they experience a customer co-design session, they'll realize the benefits. Then, they'll become advocates and adopters of customer co-design.

ABOUT THE AUTHOR



With 30 years of experience consulting to customer-centric executives in technology-aggressive businesses across many industries, **PATRICIA B. SEYBOLD** is a visionary thought leader with the unique ability to spot the impact that technology enablement and customer behavior will have on business trends very early. She assesses and predicts how new and evolving technologies will impact customers. She forecasts the ways in which both business and consumer customers will make new demands on companies in many different industries.

Seybold provides customer-centric executives within Fortune 1000 companies with strategic insights, technology guidance, and best practices. Her hands-on experience, her discovery and chronicling of best practices, her deep understanding of information technology, her large, loyal client base, and her ongoing case study research enhances the thought leadership she provides.

Seybold uses a coaching, mentoring, and learn-by-doing consultative approach to help clients achieve their goals as they transform their corporate cultures to be more customer-centric. She helps her clients' teams redesign their businesses from the outside in by inviting their customers to invent new streamlined ways of accomplishing their desired outcomes, using their own real-world scenarios.



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The CEO and founder, Patricia Seybold, is the *New York Times* best-selling author of *Customers.com* and *The Customer Revolution*. Patty's latest book, *Outside Innovation*, is [now available](#).

Patricia Seybold Group
P.O. Box 783
Needham, MA 02494
Phone: (617) 742-5200
Fax: (617) 742-1028
Email: feedback@customers.com
Web: <http://www.customers.com/>



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