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BRIGHT IDEAS

PROTOTYPE

Seeing Customers as Partners in Invention

By MARY TRIPSAS

IMAGINE a planetarium-style presentation about the future of technology, followed by a tour of dozens of hands-on exhibits — whether of sand-like microparticles that flow like liquid in a beaker, pictures that appear three-dimensional or concrete that floats.

Is it the latest science museum, or a new Disney attraction? No, it's the "World of Innovation" showroom, a cornerstone of the 3M Company's customer innovation center at its headquarters in St. Paul.

In a world of online user communities, social media, interactive blogs and other technological means for companies to elicit customer feedback, you might think that face-to-face interaction is a thing of the past. Think again.

Face-to-face interactions help stimulate fresh ideas.

As a company, 3M is at the forefront of a movement that appears to be gaining traction: customer innovation centers, typically located near company research facilities, that provide a forum for meeting with corporate customers and engaging them directly in the innovation process.

When many people hear the name 3M, they may think only of canary-colored Post-it notes. But the compa-

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Leslie Abi-Karam, an executive vice president at Pitney Bowes, said that working with customers "will alter our development trajectory."

ny is applying wide-ranging technical expertise to a portfolio of products including transportation systems, dental and medical devices and electronics. One of its latest is a pocket-sized LED projector that connects to cell-phones, P.D.A.'s and digital cameras.

The company opened its first customer innovation center in Sumitomo, Japan, in 1997, followed by others throughout the world, including sites in Brazil, Germany, India, China and Russia. This month, it announced that it would open its 23rd center next year, in Dubai.

The idea behind the centers is to foster innovation by combining a richer understanding of customer needs with creative links among 3M technologies. "Being customer-driven doesn't mean asking customers what they want and then giving it to them,"

says Ranjay Gulati, a professor at the Harvard Business School. "It's about building a deep awareness of how the customer uses your product."

Professor Gulati recently completed a book, "(Re) (Organize) for Resilience," about how to make customers the center of a business.

A typical customer day at a 3M center begins with a team from a visiting company presenting an overview of their business to a group of 3M marketing and technology experts who pepper them with open-ended questions. The goal is to understand "what our customers are trying to accomplish, not what they say they need," says John Horn, vice president for research and development at 3M's industrial and transportation business.

Next is a visit to the "World of Innovation" showroom. The company has

more than 40 of what it calls technology platforms — core technologies in areas like optical films, reflective materials, abrasives and adhesives — that can potentially be combined and applied to meet a range of needs in different markets. By exposing customers to these platforms, 3M hopes to prompt the type of novel connections — like using dental technology to improve car parts — that drive innovative solutions. “We never show completed products,” Dr. Horn says. “Doing that would constrain people’s thinking.”

Does it work? Dr. Horn says that “the innovation center experience isn’t just about making everyone feel good.” It has helped 3M to establish productive, long-term customer relationships.

For instance, 3M and the Visteon Corporation, an automotive supplier that is one of its customers, have worked together in the development of a next-generation concept vehicle that incorporates 3M technologies not originally developed with automotive applications in mind. Visteon’s visit to the innovation center, combined with

follow-up collaboration, led to the idea of using 3-D technology from 3M for navigation displays, Thinsulate materials to reduce noise and optical films to hide functional elements of the dashboard unless the driver wants them displayed.

The Hershey Company opened a customer innovation center aimed at retailers in 2006. Like 3M, it has a showroom — in this case, a tasting room — where corporate scientists discuss trends and retailers can sample products under development and offer feedback.

Another part of the center is a mock store where Hershey illustrates merchandising ideas. Hershey hopes to make shopping easier by organizing the candy aisle by how the products are used (candy dish, gift-giving or family movie night) instead of by product line.

By walking retailers through the sample merchandising set-up, Hershey can better communicate the concept than it could through a slide presentation, says Michele G. Buck, Hershey’s global chief marketing officer.

Pitney Bowes, which opened its first customer innovation center this month

in Shelton, Conn., uses a different model. The centerpiece is its new IntelliJet color printing system, which expands on the company’s strength in mail applications by allowing customers to integrate them with print operations. Customers are encouraged to load their own applications onto the system and to experiment.

“We’re hoping to get at things they wouldn’t have thought about,” says Leslie Abi-Karam, an executive vice president who heads the mailing solutions management division of Pitney Bowes. “In the long run, we expect that working with customers in our innovation center will alter our development trajectory.”

The terms “customer driven” and “solutions” seem to be in every manager’s lexicon. But as Professor Gulati notes, “it’s an execution problem.” Companies, he says, “aren’t generally structured to access, absorb or utilize customer insights since they are organized by product, not by customer.”

By focusing on the customer, innovation centers may be a way to turn good managerial intentions into concrete, valuable products.