Innovation During Covid-19

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Introduction

The effect Covid-19 is having on industries is monumental.

Changes in distribution channels being the most obvious as all customer facing businesses have been forced to shift online.

Changes to costs structures, revenue streams and complete upheaval of business models in some cases.

At times like this, the ability to innovate, empathise with customers and provide suitable solutions is game changing.

Because after all, some of the biggest companies today were built out of depressions.

Steve Jobs released the iPod in 2001 just after the dot com crash in 2000.
Within the first year it made $239 million.

IBM started selling commercial and business machines right in the middle of a 2 year panic that saw double digit industry declines.

Disney productions was incorporated in 1929 just as the 4 year depression started
But the disney brothers empathised with customers and provided a solution that put smiles on millions of faces - Mickey Mouse.

Innovation does not have a fixed time period when it happens and when it doesn't.

And when the chips are down, understanding customers and innovating to provide solutions to further support them, can lead to tremendous business success

In this presentation workbook we'll cover a framework called:

Outcome Driven Innovation pioneered by Tony Ulwick.

We'll be exploring in depth how to:

Uncover new opportunities with your customers for value creation and

Provide needed solutions during these times.

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Warren Buffet

"Be fearful when everyone else is greedy,
be greedy when everyone else is fearful"

Define The Market Around The Job To Be Done

The widely accepted definition of a market is: A group of individuals that have similar desires, interests and likely respond to marketing stimuli in the same way.

The framework we'll use is simple:

Market = A group of people + The job they are trying to do

Let's dig deeper into the Core Functional Job they are trying to do

The job they are trying to do can refer to achieving an objective, a goal, a problem to be solved or avoided. Any form of desired accomplishment whether towards a goal or away from a pain.

It's vital to understand that the job is not about asking customers "what is the job of the product or what job does my product do?"

It is about understanding the entire job and outcome from the customers perspective.

Here's an example on the next page.

Mobile Phones

If we were to ask a customer what is the job of the phone 10 years ago? One might say to make and answers calls.

Which is true but is just a step in the desired customer outcomes and doesn't reveal the full story.

A more accurate approach would be to ask "When you are using the phone what is the ultimate goal you are trying to achieve?"

Here one would get responses such as I'm trying to close deals faster or I travel a lot so I want to hear my loved ones voices.

Such insights led to the creation of the App Store which completely revolutionised the purpose of phones and resulted in billions for Apple.

Next is the Job Map

Now we covered the core job that customer wants to do, the next step is to break this down into further steps and design the path a customer takes to complete the job.

This is not the same as the customer journey or life cycle use case which are product or solution centered.

The job map is not focused on the product.

It is a look into determining what the customer is trying to achieve at each step i.e. a needs view.

This also creates the long term roadmap of the business because the aim will be to provide a solution that incorporates every step of the core functional job into a single platform.

Define

The first step involves the customer determining a plan, needed resources etc to complete the job. For eg. a financial planner would start with a financial analysis. Companies can innovate by finding ways to help customers understand objectives, plan better and faster etc.

Locate

What are the tools, templates, items needed for the customer to accomplish the job function? For eg: financial planner would need account statements, invesment history, ROI needs etc. Companies can streamline the process by making the required tools easier to get, ensuring availability or removing their need altogether.

Prepare

What preparations need to be done before the tools can be used to accomplish the core job? For eg: financial planner would ensure statemens are up to date, no conflict of interest and confirm investment alignment. Companies can make the setup less difficult, save time, more efficient, automate the prep process, organize, schedule, examine data

Confirm

Customer verifies all is in order with the prepation before proceeding to start execution on core job. For eg: Financial planner making a final check prior to starting investment. Companies can help customers automate readiness checks, comparisons between alternative solutions and outcomes or build confirmation within previous steps.

Execute

What does the customer need to do to execute on the core functional job? For eg: Financial planner inputs all the data into software to be analysed. Companies can innovate and provide solutions that use tech to provide real time feedback or correct execution errors to maintain consistency in execution.

Monitor

What does the customer need to do, measure and track to ensure the job is executed successfully? For eg: financial planner will link software with real time changes in stock market to autocorrect investments. Companies can create solutions that flag problems, changes in environment stability or link feedback with execution performance

Modify

What changes to inputs or environment do customers need to respond to for job completeion? For eg: Financial planner needs to make changes or updates following regulatory changes and requirements. Companies help by offering ways to get execution back on track, reduce time, adjustments and maintenance needed to get back on track

Conclude

What needs to be done to class the core job as completed? For eg: Financial planner inputs the details of the investment and sets up a weekly follow up schedule. Companies can simplify conclusion steps, connect conclusion steps with the beginning of next job or design conclusion benefits to appear earlier

Define The Desired Outcomes For Each Stage Of The Job Map

The desired outcome statements to be crafted for each stage are solution independent and thus focus entirely on the needs of the customer.

This process allows the needs of the customers to be measured and quantified in order to determine which needs are underserved and in turn a predictable way to know which innovation will yield the highest ROI.

The breakdown of a desired outcome statement is shown below.

Improvement Direction

To increase, reduce, maximize, minimize etc a given metric

Performance Metric

Define the metric most important to customers such as speed, time, cost, likelihood , predictability etc

Object of Control

State what the customer is in fact doing i.e. what is the thing that is in their control

Context

What is the reason customers are doing the act?

→ **Tony Ulwick defines the Outcome Statement as:**

→ **Desired outcome statement = Direction of improvement (increase, improve, remove, minimize, reduce etc) + Performance metric + Object of control + Contextual clarifier**

→ **For example:**
Minimize (direction of improvement) the time it takes (performance metric) to create financial plans (object of control) to present to customers (contextual clarifier)

Innovation Point

Most innovation attempts rely on qualitative research which although useful will result in assumption derived data.

That's why in the next step we will aim to quantify the potential of the desired outcomes listed previously...

When [job step 1 from job map] how important is it to you that you are able to:

	Not important	Somewhat imp	Important	Very Important	Extremely Imp
Outcome 1					
Outcome 2					
Outcome 3					
Outcome 4					

When using [solution] how satisfied are you with being able to:

	Not satisfied	Somewhat sat	Satisfied	Very Satisfied	Extremely Sat
Outcome 1					
Outcome 2					
Outcome 3					
Outcome 4					

The tables will be completed side by side for all listed outcomes at each stage of the Job map (i.e. define, locate, prepare etc)

Then ask a statistically significant population of your target audience to complete the survey.

The data will show the most important needs to your customers for which they are not satisfied with the current solutions i.e. the perfect place to innovate.

Finalise the process with Customer Segmentation to build a more specific target audience.

1. Cluster Analysis

Used to group customers with similar unmet needs i.e. high importance and low satisfaction

2. Compare responses

Review the responses with specific emphasis on where customers where highly unsatisfied.

3. Identify subsegments

This is important as normally within a given market there are subsets of different customers with more specific needs. This allows for differentitation and premium pricing.

4. Profile Customers

Profile the customers with further questions within the survey around who they are, their role, spending power etc

5. Ideate

Brainstrom ideas that can address the customers most pressing issues.

6. Innovate

Create your innovative solutions for higher market share.

Happy Innovating!

Adapted from: Outcome Driven Innovation - Tony Ulwick

Developed by: Build Successful Startups

If you would like to implement this Innovation Framework for your business

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Free Resources

A free template has been provided along with this presentatio.n workbook.