

OUTSIDE INNOVATION

**HOW YOUR CUSTOMERS
WILL CO-DESIGN
YOUR COMPANY'S FUTURE**

PATRICIA B. SEYBOLD

Collins

An Imprint of HarperCollins Publishers

Contents

INTRODUCTION: The Outside Innovation Imperative

CHAPTER ONE

How to Harness Customer Innovation **13**
*Co-Design Business Models, Business Processes,
and Solutions with Customers to Help Them
Accomplish Their Goals*

Give Customers Important Roles
to Play in Shaping Your Business **22**
*Natural Behaviors You Can Tap to Unleash
Customer Innovation*

CHAPTER TWO

LEGO® MINDSTORMS® NXT **30**
Powered by Customers' Inventiveness

National Instruments **51**
*A Thirty-Year History of Enabling
Customer Innovation*

Let Customers' Inventiveness Drive Your Business **71**
Best Practices in Customer-Led Innovation

CHAPTER THREE

Help Customers Reach Their Goals 76
*Capturing Customers' Context and
Desired Outcomes*

Staples 80
*Customers Help Bring a Customer Experience
Promise to Life*

Bathing Your Organization in Real-Time
Customer Context 100
*Using Online Communities to Understand
Customers' Passions, Issues, and Needs (Hallmark,
Kraft, RC2, Schwab, Unilever)*

Koko® Fitness 115
*Discovering Baby Boomers' Health
and Fitness Issues*

Zopa 130
*Creating a New Financial Services Exchange:
Peer-to-Peer Lending and Borrowing
for "Freeformers"*

CHAPTER FOUR

Let Customers Strut Their Stuff 752
*Profiting from Customer-Created Intellectual
Property*

Tripod Built a Multimillion-Dollar Business
from Customers' Creations 156
Early "Publisher" Shifted to User-Created Content

American Institute of Physics 161
*A 200-Year Tradition of Publishing Customers'
Content*

Harnessing Customers' Contributions as Guides, Problem Solvers, and Reviewers 165
Customers Will Contribute Much of Your Content, If You Make It Easy for Them to Do So (Snap-on, Cisco, Amazon, IgoUgo)

The Blogosphere 171
Customer-Created Content Run Wild

Flickr Attracts Both Amateur and Professional Photographers from Around the World 179
Organize and Tag My Photos, Appreciate and Study Yours

Why "Mash Ups" Matter 187
Customers Mix and Match Web-Enabled Services from Different Companies to Support Their Scenarios

BBC's Backstage 193
Working Interactively with Lead Users to Support Customer Innovation

How Does Customer-Created Content Apply to My Business? 197

CHAPTER FIVE

Promote and Leverage Open Source Development 199
Attracting and Sustaining Collaborative Communities of Peer Producers

A Personal Introduction to Open Source Software 204
Open Source Is, Above All, Customer-Led Development Communities

Contents

Mozilla Firefox <i>Supporting Innovation and Choice by Moving Software to Open Source</i>	270
Asterisk and Digium <i>Shaking Up the Telecom Industry by Harnessing Customers' Creativity</i>	227
What Business Models Work in an Open Source World? <i>Cohesive Financial Technologies: How a Software Start-Up Thinks Through Its Options</i>	229
Open Source Biotechnology <i>Enabling Peer-Production Communities to Share and Build upon Each Others' Intellectual Property</i>	242
Wikipedia <i>Applying Open Source Principles to the Development of a Community-Created Encyclopedia: How Much Structure Is Enough?</i>	250
CHAPTER SIX	
Enabling Customer Co-Design <i>Using Customer Co-Design Tools and Innovation Toolkits</i>	262
Customized, Built-to-Order Products <i>Solutions Tlwt Aye Configured ty Me and Built for Me</i>	268
GE ColorXpress® Services <i>Helping Customers Design Differentiated Products</i>	292
SEI Wealth Network® <i>Engaging Clients in Designing Their Own Life and Wealth Plans</i>	3 7 0