Your Customers Have Predictive Ideas/Insights

Co-Create

Ideate

Improve

Discover

Innovate

Solve Problems
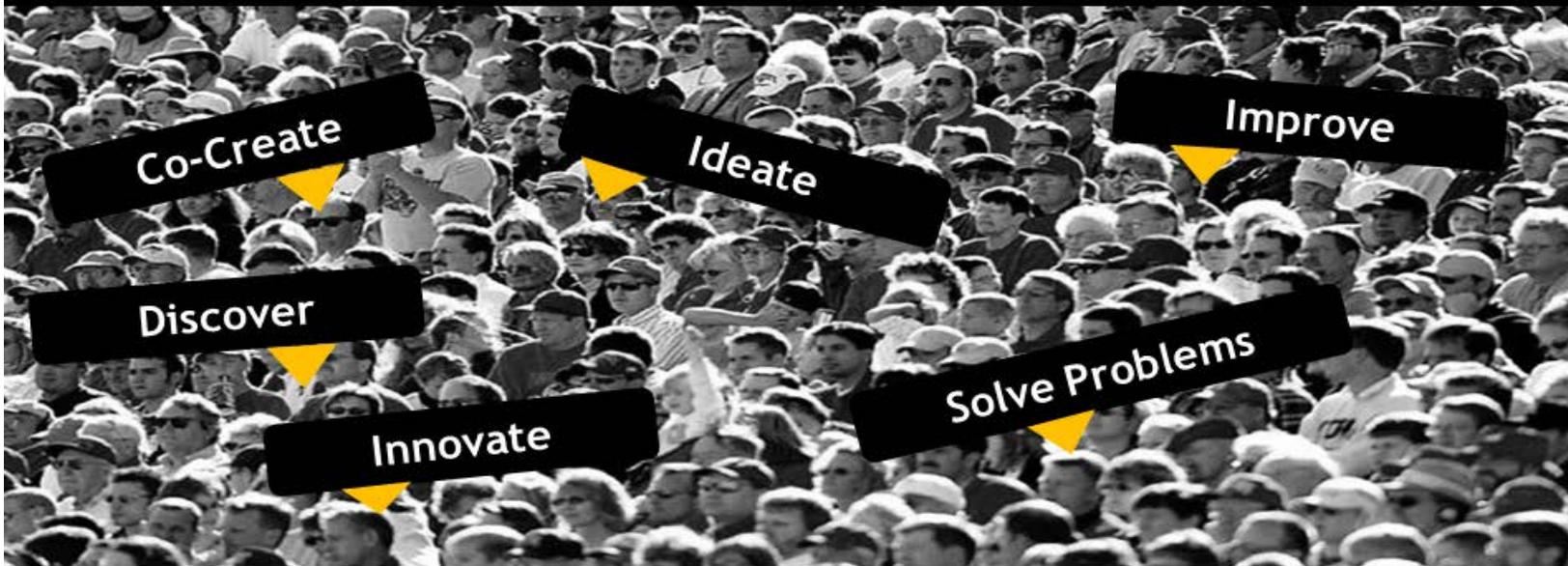
Innovation starts with an idea/insight,
Ideas evolve through collaboration and evaluation,
And then there is a flicker of unique ideas.

QualQuant Signals amplifies that flicker; igniting innovation!

An Article by QualQuant Signals Innovation Lab

What Can Brands Learn from Open Source Software Development?

A thought provoking article that could define a new innovative way of thinking to achieve brand excellence. It's all about brands delivering on the outcomes desired by your customers and this articles presents a concept that a brand could apply based on the success of open source software development.

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Consumer & Market Landscape – Evolutionary Change

CHANGE – Is constant! A periodic event!

What are the effects of this <u>CHANGE</u>?
CONSUMERS HAVE ACCESS TO INFORMATION WHICH ENABLES THEM TO MAKE SMARTER CHOICES
CONSUMER EXPECTATIONS (NEEDS / DESIRES) GROWING
CONSUMERS ARE EASILY AWARE OF ALTERNATIVES THAT CAN MEET THIER NEEDS / DESIRES
CONSUMERS ARE INFLUENCED IN MANY WAYS

What does this <u>CHANGE</u> mean for brands & companies?
INNOVATE
ADAPT & CHANGE
OPPORTUNITIES
REDEFINE
RESPOND

CHANGE cannot be ignored at any cost. The evolution of the consumer and market is an ongoing process. This requires intellectual thinking to determine the best approach to manage change. Presented below is a framework developed by QualQuant Signals to leverage the change.

$$\text{Outcomes Desired (Brand)} = \text{Achieved or Exceeded}$$

$$\text{When Brand Exceeds}$$

$$\text{Outcomes Desired (Customers)}$$

NB – Innovation framework developed by QualQuant Signals (Proprietary)

Take a second look at the above innovation framework. It is simple but very effective. To exceed outcomes desired by customers, the key to success is continuous innovation. Knowing the pulse of outcomes desired over time enables the brand to be on spot and ahead of the curve.

On light of the current dynamic condition, I would like to share a thought provoking concept that brands and companies can learn to deliver customer's outcomes desired.

What can brands learn from 'Open Source Software Development'?

Open source software development has led to many success stories in the world of software application. Generally, open source refers to a software program in which the source code is available to the general public for use and/or modification from its original design. Open source code is typically created as a collaborative effort in which software programmers improve & add new features upon the code and share the changes within the software developer community.
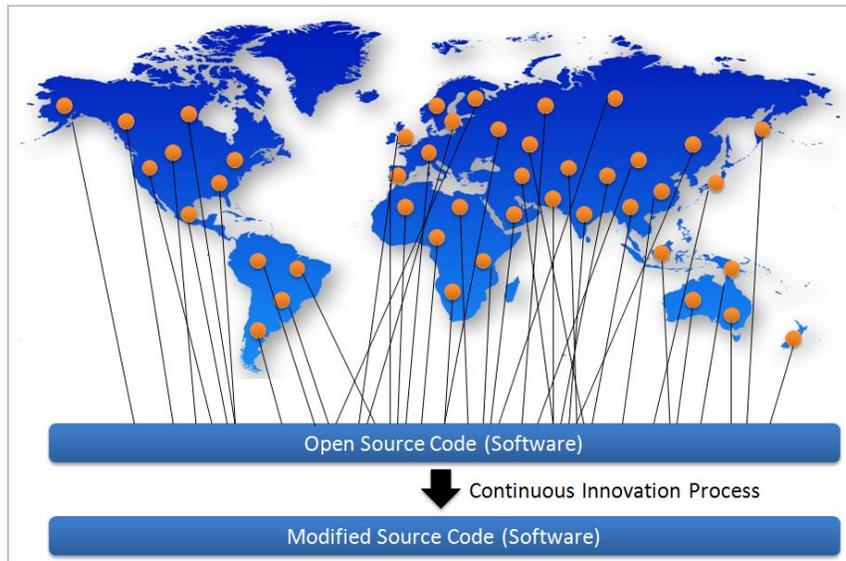
Software Engineers from around the world work together on a single software application contributing their ideas through code modification & enhancement. The software application becomes more effective because each one contributes based on his/her background, knowledge, experience, etc.

A very effective system of product development based on outcomes desired by each software engineer.

A large volume of amazing software has been created through this collaborative process…

- Mozilla Firefox & Chrome – web browser
- OpenOffice.org – office suite
- WordPress – web publishing platform
- Android – operating system derived from Linux
- Linux – family of Unix-like operating systems
- Media Wiki – wiki server software, the software that runs Wikipedia
- Sugar CRM – crm software
- Orange HRM – human resource management
  Source – Wikipedia + Information World

What are the driving forces behind the success?

Through an informal process of sharing ideas, fiddling with each others' code, and trial and error, the software gets better and better, sometimes changing direction to solve new problems as new people discover the software.

- Product developed without boundaries (global pool of talented resource at minimal cost).
- Each engineer brings its unique expertise to the project.
- Diverse backgrounds of engineers come together and contribute based on outcomes desired.
- Passion and dedication drives success.
- Due to large number of participants, the modifications & enhancements morphs the software to be valuable across a broader range of end users.

Open source is everywhere on the Internet:

It's fascinating how pervasive & popular these products actually are if you think about it. If you use the Internet at all, you will most likely run into all of these products every single day even if you're not always aware of it. A majority of the websites you visit will use the Apache web server, if you visit blogs at least some of them will run WordPress, not to mention MySQL is used by lot of websites.

Concluding - A few snippets from Harvard University Press (2004 – Steven Weber)

1. Open source production is social because it is a product of voluntary collective collaboration, political because structures and organizations allocate resources and manage conflicts, technical because the final product is software code that must work, and economic in a fundamental sense of understanding the way individual choices about what to do with limited time and energy aggregate to a macro level.

2. Open source process most likely to work effectively when potential contributors can judge the viability of the evolving product, have the information they need to make informed bets that contributions will add up to something useful for all, are driven motives beyond simple economic gain and have a relatively long "shadow of the future," learn by doing and gain personally valuable knowledge, share a positive norm about the value of contributing to the process.

Examples of open source software development at work (Drupal)

About 1 million people across 228 countries contribute to the development and enhancement of Drupal.

Concluding Open Source Software Development

Collective human intelligence contributing to development of software application based on each individuals outcomes desired.

Applying Open Source Software Development
Open Source Brand (A New Paradigm)

So far we have discussed the concept of 'open source software development' and how it has led to many market successes. It's all about contributors working collaboratively (remotely) together to make great software happen. Why can't brands capitalize this collective human intelligence? Yes it can by taking the elements of collective collaboration to leverage this concept to achieve similar success.
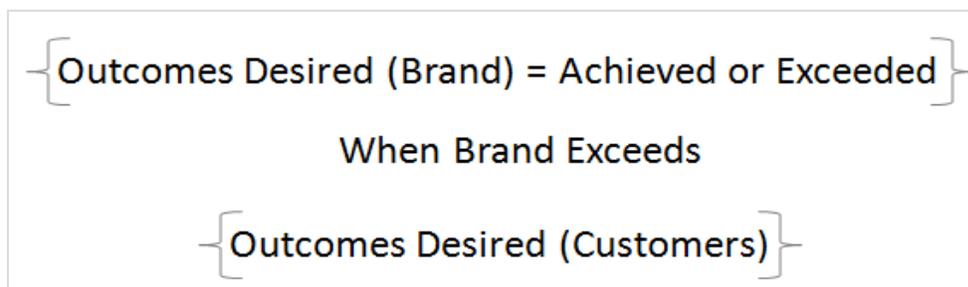
Before we dive into sharing a few ideas, I would like to share excerpts from an article written by CMO GE – Beth Comstock.

"Companies should exist and make products in order to help the world move forward, to fulfill a need that exists in the market and resolve problems that people encounter, that's why innovation is so important for any company. The world moves and changes, hence the need for new ways of looking at things and never taking something that worked in the past for granted. Nothing is really guaranteed in today's rapid changing world, where technology plays such a big part of the equation. Embrace change in order to innovate and stay relevant.

Companies, regardless of their size, must become innovative or they will simply become irrelevant given the pace of change we face in the market. I just finished reading "The Game-Changer: How You Can Drive Revenue and Profit Growth with Innovation" and I'm convinced there is an inextricable link between innovation and collaboration...effectively they represent two sides of the same coin. Innovation without collaboration with co-workers, clients, partners, vendors, and even competitors will never be as effective. This collaboration drives innovation. Innovation should not be thought of as a luxury for only large organizations with R&D budgets. Innovation is a business process to be lead, managed, and measured and should be an integral part of company or organization's culture. Innovation has to be rewarded and cultivated. Thinking creatively about how to spur innovation in staid organizations is one of the most exciting challenges we face today."

Open Source Brand (The Power of Collective Human Intelligence/Creativity)

Let's revisit the innovation framework that was introduced before.

Outcomes Desired (Brand) = Achieved or Exceeded

When Brand Exceeds

Outcomes Desired (Customers)

The question (opportunity) is….

What are the most effective ways to identify innovation opportunities by uncovering customer's 'Outcomes Desired'?

One option is to apply the collaborative (collective) human intelligence similar to 'Open Source Software' which is key element contributing to success. An innovative thought is <u>'Open Source Brand'</u>. That is opening up your brand wherein customers have a stake in its success and they collectively collaborate together to guide innovation in a manner where 'Outcomes Desired (Customers)' are delivered.

A proposed "Open Source Brand" framework
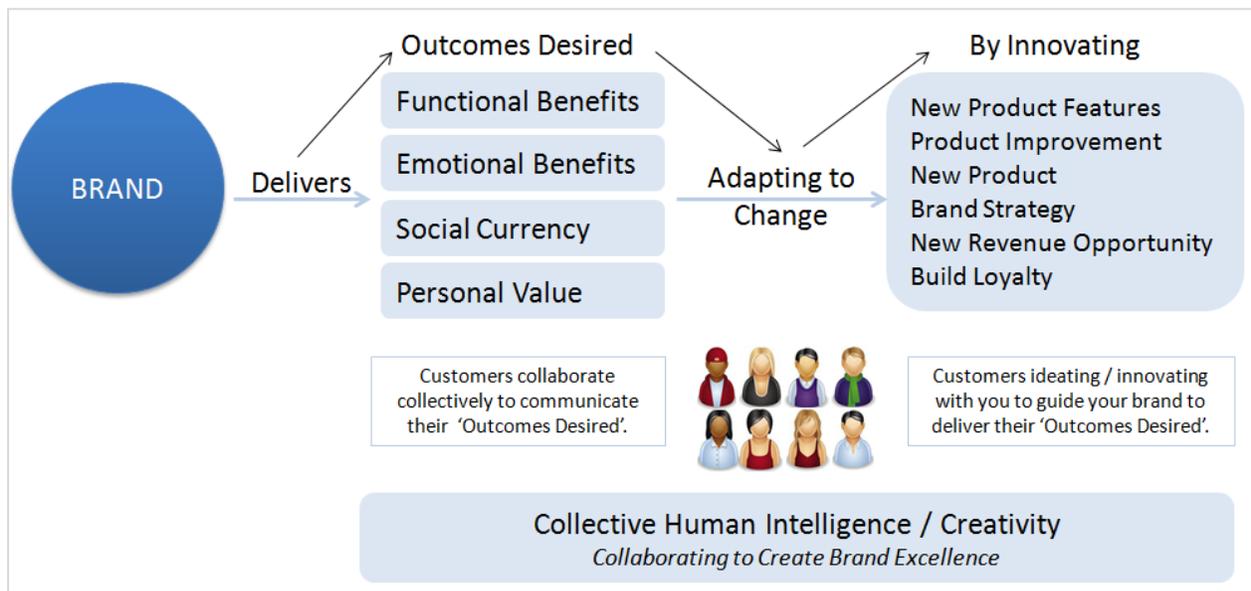
Guidelines to 'Open Source Brand' framework

Below highlighted are few points to help build successful framework.

1. Open up your brand using a systematic phased approach beginning by identifying areas where collaboration will be most effective. Begin by involving customers within a regulated collaboration environment which is under your control. Monitor the performance and value of collaboration and tweak to improve/enhance as you proceed.
2. Involve large number of your customers to ensure…
   a. Submission of diverse range of ideas / insights.
   b. Prioritization of ideas/insights (statistically reliable).

3. Involve a diverse range of customers as this helps in receiving diverse range of ideas/insights allowing for cross-pollination across different profiles & characteristics. For example – Invite influencers, lead users, opinion leaders, product usage experience level, etc.
4. Develop an environment where customers feel a sense of contribution towards the development of your brand/product.
5. Provide elements of social currency where your customers can convey to their network about their contribution efforts. One idea would be to provide a badge where they can showcase themselves as innovators for your brand.
6. Develop a systematic approach to uncover ideas/insights by promoting creativity and deep thoughts.
7. Establish a collaborative (co-creation) process where evaluation & prioritization of ideas/insights is carried out using a well designed evaluation approach.
8. Design the co-creation process in a manner where innovation within company is feasible taking into account factors such as production capabilities, operations, finances, etc.
9. Communicate your innovation objective to your customers to set them up to focus their contribution towards helping you achieve objectives.
10. Communicate the expected results of their contribution and the benefits that came out of it.

Areas where 'Open Source Brand' can be applied

New product development	Add new product features	Marketing innovation
Improve product features	Identify unmet needs	Concept test, screen & improve
Brand strategy development	Brand naming / taglines	Packaging innovation
Brand perceptions / identity	Revenue strategies	Packaging test, screen & improve
Advertising innovation	Brand/product extension	Other Areas

Concluding

The way consumers consume is constantly changing. Successful marketers know they have to change what they offer and how they offer it to stay connected and thrive. Why and how are customers making decisions today? What will drive their choices tomorrow? How can you keep up?

Embrace for **'Open Source Brand'** an **Outside-In** strategy that will keep you ahead of the curve. Stay connected with your revenue base and deliver on their desired outcomes.