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"The corporate brand is not only used to improve competitive positioning and express company aspirations, it can also be a powerful tool to motivate employees."

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As companies emerge from the recession, they are looking for new ways to grow. Ingenuity is key, and a number of companies are looking to their customers to help them drive innovation.

In the past two years, Masco Bath has turned the traditional product-development process on its head, reaching out to customers to help design new shower and bathing systems, rather than rely on in-house staff. The initiative called, Voice of the Customer (VOC), was the brainchild of president Chris Yankowich, as a way to cut costs and increase user satisfaction.

The company uses contextual interviews (observing the product at point of use), focus groups and job shadowing with the field sales force to gather information on design, marketing and manufacturing, then feeds the data to industrial designers who translate those priorities into salable products.

"The idea is not that we are asking customers to do our jobs -- because they likely don't have the technical design expertise, but they can tell us what inspires them and what would be a winning product for them and for their customers," says Yankowich. "We believe that, as we look to differentiate ourselves from competitors it is paying attention to the trends that we've uncovered in the VOC process -- and incorporating these trends into our new product development -- that is going to make us stand out."

The company engages in VOC for a very practical reason: money. "We want to frontload as much of the new product development process as we can because defining it in the planning phase eliminates waste and frustration later," he adds.

Similarly, Karen Valencic, who owns a training and development business, recently changed the way she offers learning based on customers' requests. While the training and development field as a whole is moving to online and short sessions, her customers are asking for in-person and longer sessions.

"I will accommodate this. Not many of my competitors are doing this right now," says Valencic. "Listen to the customer so you can understand what their specific challenges are. I change to meet their needs. If I am waiting to see what my competitors are doing, I am too late."

Robert Livingstone, president of Ideal Cost, a national merchant account consulting firm, says a customer's suggestion to build customized software and own it, rather than leasing it from a third party provider at a premium price, was a great idea that made his operation dramatically more efficient.

Livingstone says: "Why did I jump at my client's suggestion rather than scout the competition? If I keep trying to play catch-up with my competition, then I will always be one step behind, rather than an industry leader."

Plus, the competition doesn't have his firm's best interest at heart, but clients do, he notes. "So I will get very honest and proactive advice," says Livingstone, adding: "My goal isn't to come up with ways to copy the competition's innovations because I can't gauge how successful they are. My goal is to have loyal and satisfied customers. If I go above and beyond, I will have clients for life, while my competitors drift in and out of business."

As the saying goes, the customer is always right. When it comes to innovation, they could be the ticket to the next big thing.

Customers Drive Innovation
By *Sheryl Nash*
CFO.com

Market Data

US Stock Market Indexes		
Symbol	Last	Change
NYSE	400.72	2.51
Nasdaq	129.27	1.23
S & P 500	63.44	0.45
NYSE Volume	285573	
Nasdaq Volume	171470	

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