
360-Degrees of Insight

Refining Innovation with Voice of the Customer

THE STATE OF CUSTOMER COLLABORATION

Voice of the Customer programs offer product companies unique opportunity to hear what their customers have to say. In fact, a well-run VoC program is a formidable source of ideas for new products, enhancements to exiting products and untapped uses for underlying technologies.

However, despite the desire by companies to work closely with their customers, the difficulty, it seems, is in the execution. In a recent study on global strategy, the analyst firm Forrester Research discovered that while two-thirds of North American companies have VoC programs, less than one-third actually make decisions based on customer needs.

Two factors contribute to the customer collaboration problem:

- One of the crucial VoC communication channels is broken
- Customer ideas take a backseat to other requirements

To remedy the situation, companies can use their existing customer and partner relationship management (CRM/PRM) software to capture customer ideas and feedback as part of the sales process. CRM/PRM applications provide the capability to create a 360-degree customer view. But as long as ideas are not being captured, that view will be obstructed. By using CRM/PRM software to enhance VoC, companies can round out the 360-degree view and engage customers more successfully.

Companies can lose credibility when their customers' ideas get lost in the shuffle.

Then, by implementing the right innovation processes, supported by innovation management software, companies can repeatedly turn the best ideas into products.

Why is customer communication broken?

VoC activities generally fall into one of three categories:

- **Company-initiated activities:** surveys, focus groups, ethnographic studies and interviews
- **Customer-initiated activities:** external forums, online communities and suggestions offered to customer service representatives
- **Engagement activities:** directed conversations between customers and customer-facing roles such as marketing, outside sales, inside sales and channel partners.

Each category has its role to play in fulfilling the 360-degree customer view as well as its limitations.

Some of the most valuable product ideas emerge from the relationships that sales and marketing representatives have with customers and prospects. Unfortunately, these ideas are all too often left to wither on the vine. Ideas suggested by customers do not find their way to product managers and strategists, but instead remain hidden in email folders, on sticky notes, and in meeting minutes.

Why don't customer ideas appear in products?

The job of evaluating VoC data is a demanding one, requiring the analysis of hundreds of ideas, suggestions and problems in order to uncover representative themes. Turning the best themes into requirements - and merging them with additional market requirements - adds further complexity because of the many alternatives, assumptions and variables that product managers must consider. The resulting number of possible product combinations can be overwhelming.

Lacking a well-defined process and the right product innovation management software, companies often rely on manual data-gathering and speculative decision-making. Consequently, product managers tend to drop from consideration all except contractually required customer ideas in favor of internally generated requirements.

Business impact of the status quo

Without a full 360-degree customer view and an integrated innovation process, product teams cannot fully comprehend customer needs and create a rational response in the form of differentiated products. As a result, the risk of falling short of their revenue and growth potentials increases.

For companies committed to turning their VoC programs into a force for market differentiation, the first priority is to plug the leaky VoC engagement channel. The next step is to put the people, processes and tools in place to direct the flow of customer input through the product innovation process.

Customers often speak with sales and marketing representatives about topics such as:

- Suggestions for new and existing products Pricing issues
- New business and market challenges
- Changes taking place within their industry

As a result, customer-facing representatives acquire a wealth of knowledge about each customer's needs and problems. Gathering and analyzing this knowledge is crucial to helping companies understand customer motivation, particularly in an increasingly competitive global environment.

By employing the CRM system with product innovation management capabilities, product companies can capture customer ideas and suggestions as part of the normal sales process. The information can then be viewed alongside supporting notes and activities associated with each CRM record. Furthermore, companies that take advantage of PRM support can offer these same capabilities to their outside channel partners.

An effective CRM/PRM-based idea capture system allows users and administrators to:

- Configure idea submission forms and voting scales
- View similar ideas when creating a new entry
- Communicate status and an official response back to the idea creator
- Vote, comment on and track favorites
- Categorize entries and create unifying themes
- Receive email notifications of activities and updates to ideas

In addition to these basic features, an idea capture system should connect to other external company-sponsored communities in which customers participate and to third-party social media platforms. Together, these capabilities allow sales representatives and marketing managers to view all of the ideas and challenges their customers bring to the table.

The benefits of integrating CRM/PRM-based idea capture with a product innovation management process are unmistakable:

- ✓ Full 360-degree customer view
 - ✓ Increased flow and manageability of ideas
 - ✓ Strengthened customer intimacy and loyalty
 - ✓ Greater product differentiation and customer value
 - ✓ Higher product success rates and revenue
 - ✓ Improved ROI for product operations
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FROM IDEAS TO PRODUCTION

The benefit of a VoC customer engagement process is in the opportunity it offers to create truly differentiated products. But VoC input is just one factor that product managers consider when defining those products. They must also take into account market requirements such as competitive responses, regulatory features and the latest advances in technology.

And to maximize the contribution to company growth, each product investment needs to align with senior management's objectives for ROI, market share, budget and business strategy.

To manage the volume of ideas, suggestions and requirements, an increasing number of companies are adopting integrated product innovation management processes. Figure 1 below shows the process path from VoC idea generation to requirements definition.

- **Stage 1:** Collect customer ideas from all VoC channels
- **Stage 2:** Screen, organize and group ideas into concepts and promote the best ideas to new product requirements
- **Stage 3:** Merge VoC requirements with market requirements, prioritize the list, and determine the final product configuration and roadmap

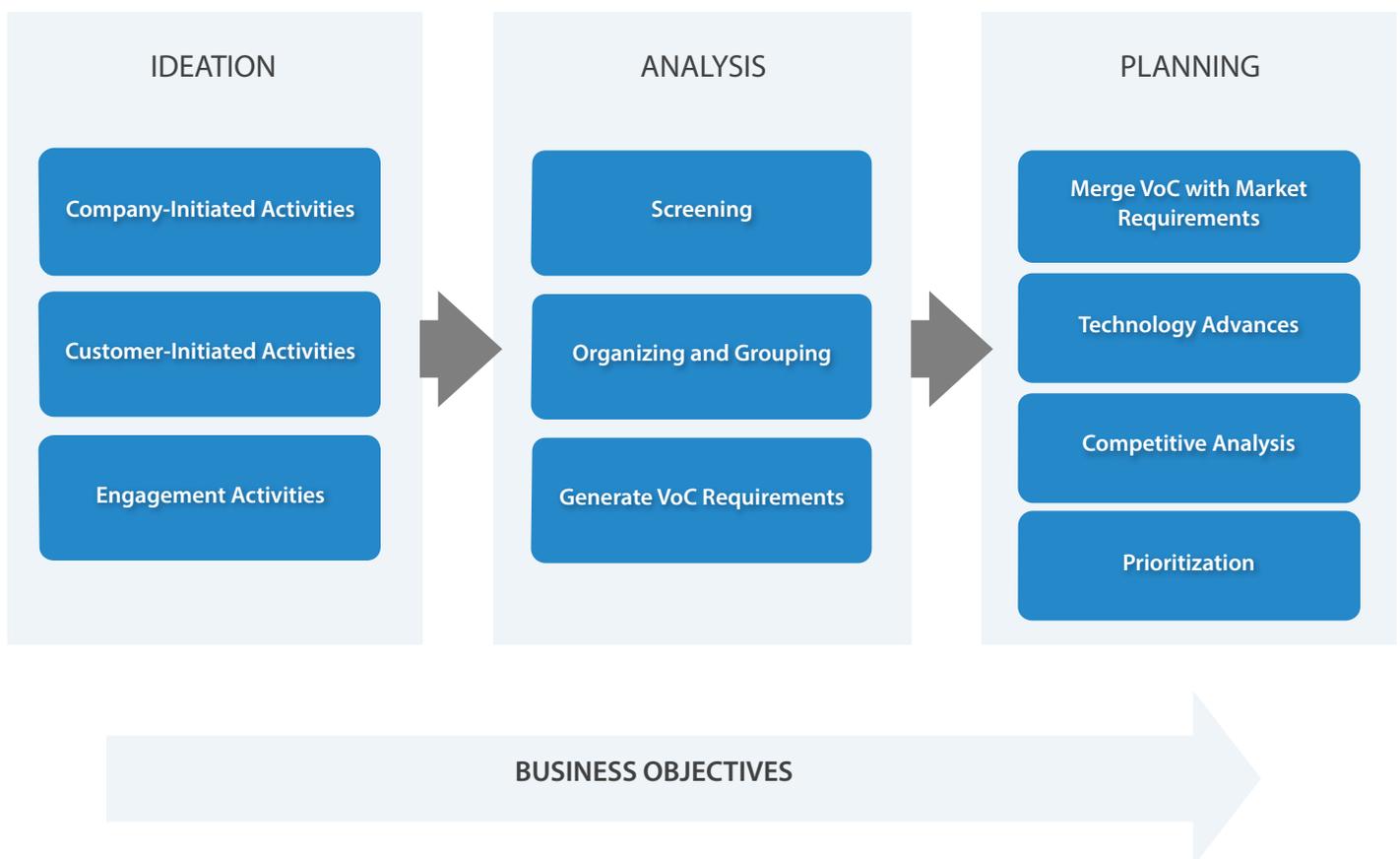


Figure 1

An integrated innovation process, supported by product innovation management software, enables companies to offer true product differentiation.

The right product innovation management software enables product managers to auto- mate the process, thereby reducing the elapsed time from idea capture to an approved set of requirements. In addition, the software should provide analytics that lets product managers alter assumptions and compare product alternatives. And it should include dashboards that provide visibility into all product data and traceability of all decisions made and requirements back to their sources. Together, these features improve the profitability and certainty of product decisions.

ORACLE AND ACCEPT WORKING TOGETHER

Accept360™ Ideas from Accept Corporation is a software solution that enables customer facing roles to capture ideas and suggestions as part of the sales process, and then add that information to customer CRM contact records. It is available as a standalone product or as an integrated feature of Oracle® CRM On Demand and Oracle CRM On Demand for Partner Relationship Management (See Figure 2). Together, Oracle and Accept complete the 360-degree customer view and bring VoC into the product innovation process.

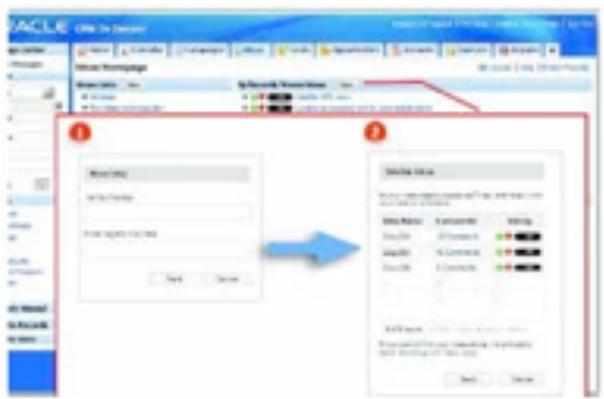


Figure 2

Accept360™ Ideas integrates with Oracle CRM On Demand

When integrated with Oracle CRM On Demand, Accept360 Ideas creates a private online community for sales, marketing and channel partners (See Figure 3). Using their standard CRM and PRM portals, these customer-facing representatives submit and discuss product ideas on behalf of customers. Ideas are viewable by all authorized community members and can be associated with various tabs in the CRM interface, including Campaigns, Contacts, Accounts, and Opportunities.

In addition, Accept360 Ideas connects to other company-sponsored communities and to Facebook, enabling CRM users to aggregate all of the conversations for each customer, at either the Account level or the Contact level. This feature provides a broader understanding of each customer's challenges and ideas.

Integrated Facebook Support

Accept 360 Ideas includes built-in support for Facebook with the following features:

- ✓ Captures suggestions submitted by customers and fans to company Facebook pages
- ✓ Reposts those ideas to the submitter's Facebook Wall
- ✓ Displays ideas submitted through CRM and company-sponsored forums onto company Facebook pages

With these features Accept360 Ideas helps to drive traffic to company Facebook pages and provides customers with a unified experience.

Accept360 Ideas merges the suggestions coming from multiple customer touch points - CRM, PRM, company-sponsored forums and Facebook - into the central database. Authorized customer-facing representatives can view all ideas via a web interface, promoting further collaboration and engagement.

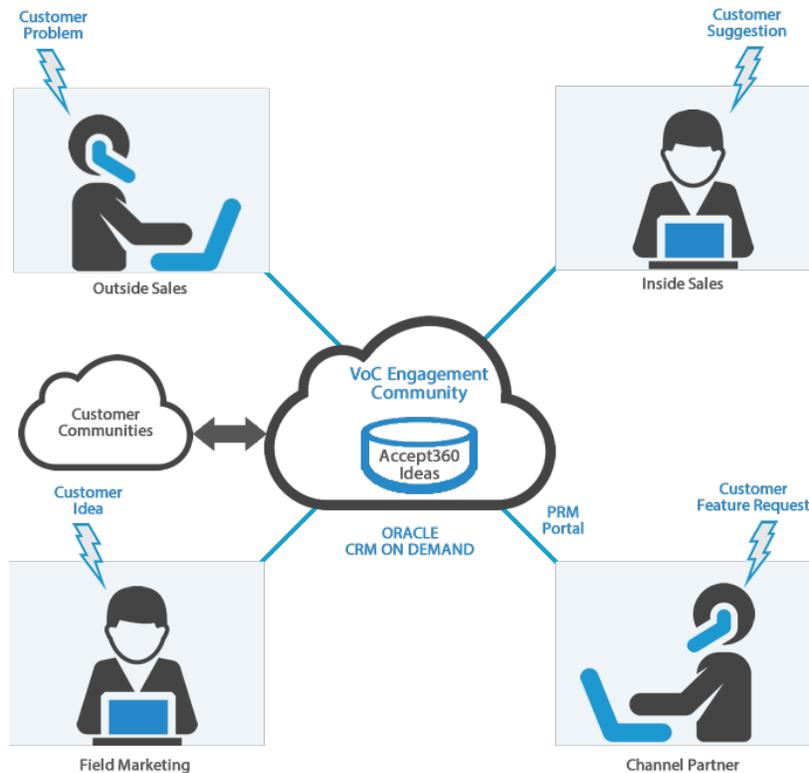


Figure 3

Accept360 Ideas enables customer-facing roles to submit, comment on and vote for ideas on behalf of their customers.

Using the administrative capabilities of Accept360 Ideas, product managers can search, categorize and rank ideas along with those from other VoC and ideation activities. And because all VoC ideas reside in a central database, they are accessible to internal product stakeholders and traceable throughout the entire product innovation process.

Advancing customer relations

Accept and Oracle have closed a significant gap in the VoC communication network, enabling companies to listen more closely to the ideas and suggestions their customers have to offer. By integrating VoC support with Oracle CRM On Demand and Oracle CRM On Demand for Partner Relationship Management, we are empowering companies to:

- Gather and maintain customer engagement data
- Encourage discussion among customer-facing roles about customer needs and product positioning
- Provide feedback to customers about their ideas
- Improve the overall contribution of VoC programs to product innovation
- Accelerate the innovation process from ideas to product requirements
- Strengthen relationships internally and externally among companies, their partners and their customers feature provides a broader understanding of each customer's challenges and ideas.

Part of a complete innovation management solution

Accept360 Ideas is one application in a larger suite of product innovation management software called Accept360, an end-to-end solution that connects ideation, planning and execution. In addition to Accept360 Ideas, Accept offers three other innovation applications.

Accept360 Strategy & Portfolio™ helps drive R&D investment to the products and features that customers most want

Accept360 Requirements Management™ turns customer input, requests, and new product ideas into clearly defined product plans and releases

Accept360 Execution™ ensures continuous alignment across all product planning and execution phases and supports any type of stage-gate execution process model

Take the Next Step

A systematic approach to managing VoC helps companies become better informed about the problems customers face and the factors they consider when evaluating solutions.

What worked well enough in the past is not enough to sustain competitive advantage in today's post-recession climate. Companies depend on innovation for growth and must engage more completely with their customers in order to improve product success rates. Only then will margins and revenues rise to meet their potential.

Accept360 Ideas for Oracle CRM On Demand is available from both Accept and Oracle.

For more information about the Accept360 complete suite of product innovation management applications, visit: accept360.com/solutions/

or telephone: 512-201-8222, or email: sales@accept360.com

Strengthening Partner Relations

In addition to facilitating customer engagement, Accept360 Ideas and Oracle CRM On Demand for Partner Relationship Management offer a secondary advantage.

Companies can use the solution to create additional communities in which they exchange ideas, suggestions and news with partners and suppliers.

By opening the channels of communication and encouraging a free exchange of ideas, companies can improve their external relationships and promote a partner-friendly environment that fosters loyalty, enthusiasm and productivity.

Using their PRM portals, partners and suppliers can access the communities to:

- Offer suggestions to improve partnership and supplier programs
 - Exchange best practices for selling into competitive situations
 - Answer questions posed by other community members
 - Respond to company-proposed questions, ideas and announcements
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Accept360 Suite

Accept partnered with leading companies in the most demanding and competitive industries to develop its product innovation management suite. Accept360 is imbued with the proven product innovation processes and best practices required to manage complex product portfolios and deliver at market speed. It is uniquely effective, bringing together four functionally deep yet highly-integrated modules that deliver enterprise agility across ideation, planning, and execution: Accept360 Ideation, Accept360 Strategy & Portfolio, Accept360 Requirements Management, and Accept360 Execution.

Accept360 Ideation

Accept360 Ideation is an on-demand software solution that helps you harness the collective wisdom of your community, tapping a vast new source of market insight that will completely change the way you innovate.

Engage customers, partners, suppliers and employees in an “always on” conversation about your products and services. Capture thousands of new ideas. Validate existing ones. Pinpoint trends. Anticipate demand. As community members contribute enrich, and refine ideas you gain precise real-time insight - with the certainty to innovate at market speed.

Accept360 Strategy & Portfolio

Accept360 Strategy & Portfolio allows you to define a strategic, balanced product roadmap, to help you align product strategy with company strategy. Integration with Accept360 Ideation enables you to easily evaluate new products across key portfolio objectives such as investment, ROI, competitive advantage, resources, and others then drill down to get specific details on the factors that drive your portfolio decisions.

Accept360 Requirements Management

Accept360 Requirements creates a living repository of information that ties together market, customer, competitive, and requirements data in a proven market model framework. In addition to what you see in the Fast Track Program, Requirements lets you create any number of Functional Areas - to manage multiple product lines, divisions or brands independently - plus, comprehensive reporting.

Accept360 Execution

Agile software development methods like Scrum and Extreme Programming are quickly becoming the norm. Given the methodologies' focus on urgency and fast delivery, this is an area that clearly calls out for real-time integration with the big picture.

Accept360 Execution accomplishes this by:

- Discovering, evaluating, and prioritizing the features that will yield the best satisfaction to the customer
- Maximizing the creation of value throughout the agile development process, and
- Providing clear measurements of the business value delivered after each sprint.

About Accept Software Inc.

Accept Software, Inc. delivers The Product Innovation Management solution that technology-driven companies use to decide which products to bring to market for the fastest time-to-profit. The Accept360 Suite is the only complete end-to-end software solution that tightly links company and product strategy through ideation, portfolio planning, roadmaps, requirements and execution. For more information, visit www.accept360.com

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