

## Social Innovation Benchmark Study

# How Social Media Methodologies Are Applied to High-Technology Companies in New Product Development

John Carter  
Jeanne Bradford

TCGen, Inc  
Menlo Park, CA

Tammy L. Madsen  
Kumar Sarangee  
Jennifer L. Woolley

Leavey School of Business  
Santa Clara University  
Santa Clara, CA

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The purpose of the benchmark study was to capture best practices in the application of social media methodologies to product development.

## Key Highlights:

- Innovation does not have to be unbounded in time. Social innovation can allow teams to innovate and get products to market quickly and repeatedly.
- The targeted application of social media methodologies can result not only in faster time to market but also with lower cost by reducing product definition expense.
- The quantity of data from customer/community is not a substitute for quality input. The application of new tools (such as closed communities with user generated content) results in higher quality and more relevant customer generated requirements.
- There is no need for investment in home-grown social media tools. Good commercial solutions are available, and many cloud based applications for consumers (e.g. Facebook, Twitter, LinkedIn) can be applied to product creation widely.
- Two different types of resources have allowed companies to successfully implement social media initiatives. The first are dedicated resources which enable large companies to scale to many initiatives quickly. The second are part time resources that have social media experience that help distributed teams on a consultative basis. There is no clear home for this capability however, the participants in this study indicates it most frequently exists in the marketing organization (as a outgrowth of social media product marketing).
- Younger members of the workforce typically have greater social media competencies. Older workers tend to be the decision makers about what to do with the information acquired via social media, thus requiring a bridge between generations.
- Executive sponsorship is *not* required to deploy social media for product development, but you can get a lot more done with it.
- The best results from the study participants often has these elements: small number of closed and managed communities, are time bounded, and contain user generated content.

## List of participants

Amway

Cisco

Hewlett-Packard

IBM

NetApp

SolidWorks

# Top 10 Best Practices

1. Specialized communities with prequalified participants are used by organizations to innovate in a time limited process. These organizations use technology to manage filtering, sorting and selecting the best ideas from large, distributed communities efficiently.
2. Social technology is now being incorporated as a product features. For example, RSS (Really Simple Syndication) was implemented in a product offering enabling a company to have a nearly real time interaction with its users.
3. When product definition and usability were particularly critical, one company requested customers to provide photographs of where the product would be used. This strongly influenced internal decisions, accelerated time to market, and reduced development costs.
4. Enterprise level Social Networking Cloud solutions will be available soon. An example is Cisco's Quad solution that stimulates innovation and boosts productivity. These tools are designed to be "all about me".
5. Corporate product strategy is becoming increasingly "community driven". One company allowed users to recommend new features and vote on the top ten. With an implementation rate of 80%, this company has given users a strong voice in setting product strategy. The company also harnesses input at tactical levels as well to get insight into new features and applications.
6. Use of out-of-the-box platforms such as BrightIdea and dedicated human resources allow the creation of an innovation campaign in less than 3 business days and accelerates the innovation process.
7. Incorporation of an innovation model with discrete phases, supported with technology, yields a "repeatable innovation model" that has generated four major new product ideas in less than a year.
8. Centers of Excellence and dedicated resources are critical for the success in large-scale adoption since most of the successful companies studied involve d multiple functions, bridged corporate boundaries, and tested the limits of IP disclosure.
9. In two companies studied, technology keeps track of the quality of the input as well as the qualifications of the participants. The identification of subject matter experts within a community enables utilization of the best expertise, and increases the quality of innovation.
10. Social technologies designed for personal use can be repurposed for product development. Twitter, Facebook, and LinkedIn can be used for solving tightly defined problems quickly without involving IT or Legal organizations.

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# Action Implications

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An increasing number of companies – both B2B & B2C - are embracing the social web to drive product innovation. Of the six companies benchmarked, all had implemented some form of social innovation within the product development process. How social innovation efforts were organized and managed varied considerably across companies. Key differences were attributed to the size of the company, level of executive sponsorship and frameworks to implement social innovations initiatives.

Here are some best practices that are discrete and actionable:

1. Examine how social media can be integrated into your product offerings. Social Innovation isn't limited to tools. Through feature implementation, it is migrating into the fabric of the product.
2. Well placed user generated content can drive better product decisions faster. Understand where your customers can add the greatest value to help accelerate time to market & reduce costs.
3. Allowing customers to help set product direction and prioritize work allows teams to be laser focused on delivery, while validating the customers' voices through explicit feedback mechanisms.
4. Ensure your communities have well qualified participants and provide systems so that you can go back to the source for rapid expertise.
5. Examine tools for leveraging innovation inside and outside the company – the best solutions minimize setup and allow teams to easily mount innovation campaigns.
6. Executive commitment is not required for success, however financial/resource commitment is required for success. The best practice organizations have between 3-5 dedicated resources to support the use of social technologies for product development.

# Benchmark Study Background

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- The increasing trend of unusual uses for Social Networking platforms and the complexity and challenge of product development triggered our interest in this timely topic.
  - We thought there must be innovative ways social networking platforms are used in product development.
  - Who is leading the charge and what have they learned?
- Joined by Santa Clara University Professors who shared our interest and passion, we performed this multi-client benchmark study, and simultaneously launched research on this emerging topic.
  - Formulated hypotheses for our study
  - Created an interview guide & identified target companies
  - Conducted face-to-face or telephone interviews ranging from 1-4 hours each with 2-3 researchers and company experts
  - Summarized our interviews and had the companies review our conclusions
- We supplemented benchmarking with best practices from the literature review
- This report summarizes the results of this first round of interviews, which were conducted in the Spring and Summer of 2010.

You can received a copy of the full report by contacting TCGen

[Jbradford@tcgen.com](mailto:Jbradford@tcgen.com)

408.828.5168