PACKALL

PackAlliance:
European alliance for innovation training
& collaboration towards future packaging

Linking Academy to Industry.

Training program: modules
- New materials and biomaterials
- Eco-design & novel manufacturing processing
- Residue management and valorisation
- **Citizen and Consumer Engagement**

Lean Customer Development

General Aspects of Innovation Project

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What does lean mean?

- The traditional version of lean methodology is 'lean manufacturing', derived from Japanese automotive industry, which is a method for waste minimization focused on eliminating those elements from the manufacturing process that do not create value for the customers. → focuses on the whole production cycle

- Lean innovation, e.g. lean start up and lean customer development focus on development phase of products and services

Customer development aims at business planning

- While product or service development aims at design questions, **lean customer development focuses on the customer development and especially, on business planning.**

- As in **lean** manufacturing, the objective is to provide maximum value to the customer (and to the business) with minimum investments

- Lean refers to a continuous innovation and learning process in which all business ideas are tested quickly with real customers, and decisions about further development are based on the lessons learnt during the testing phase.
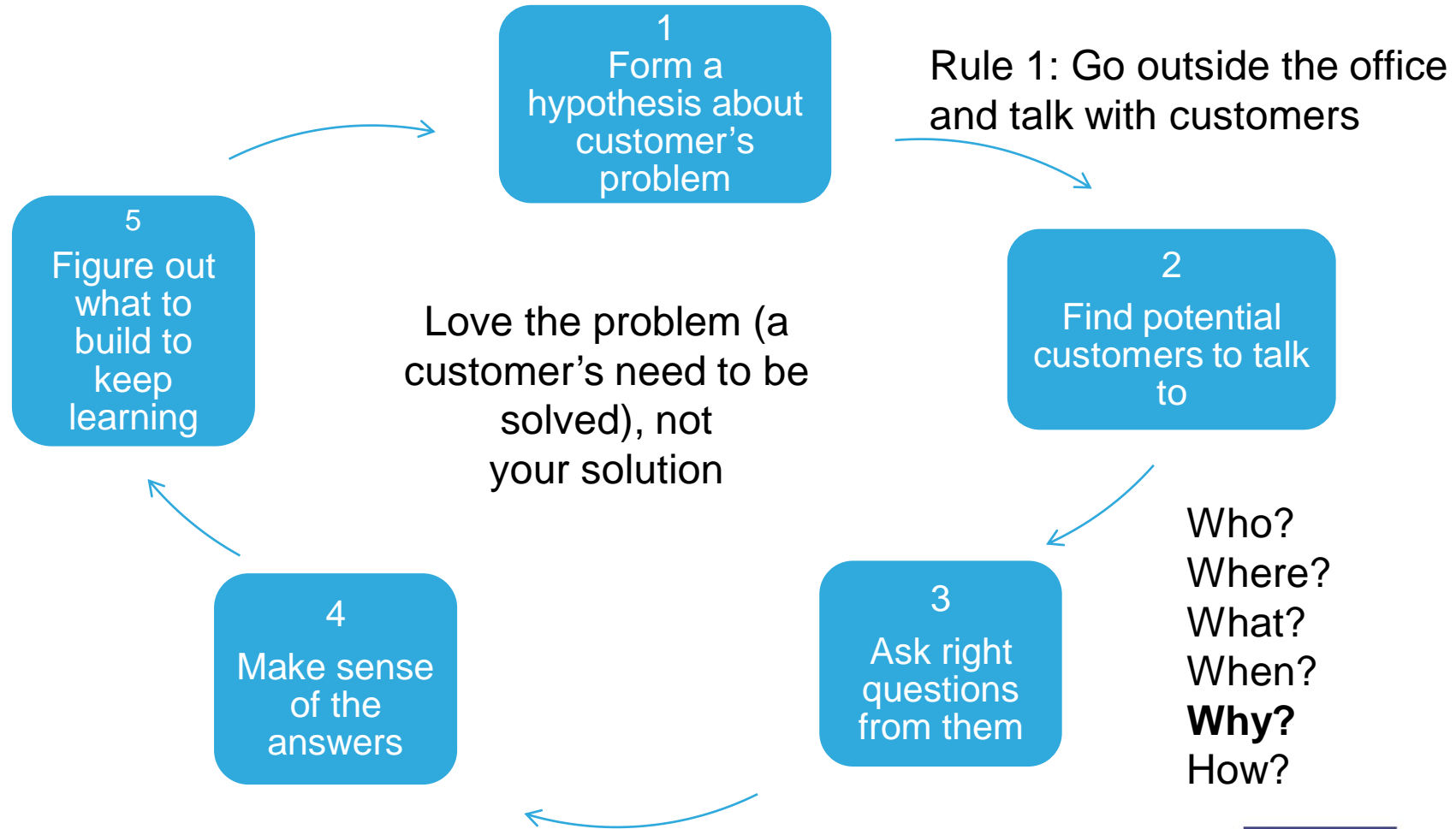
Customer's problem is the core

- Customer development is a parallel process with product development and design - it creates hypotheses and assumptions for understanding customers:
  - who they are
  - what problems and needs they have
  - how they behave
  - which solutions they are willing to pay for
  - how to provide solutions resonating with customers' needs

Alvarez 2014, 2-3.

Lean customer development process

1
Form a hypothesis about customer's problem

Rule 1: Go outside the office and talk with customers

5
Figure out what to build to keep learning

Love the problem (a customer's need to be solved), not your solution

2
Find potential customers to talk to

4
Make sense of the answers

3
Ask right questions from them

Who?
Where?
What?
When?
Why?
How?

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Co-funded by the Erasmus+ Programme of the European Union

References

- Alvarez, Cindy. 2014. Lean Customer Development: Building Products Your Customers Will Buy. O'Reilly Media, Inc.

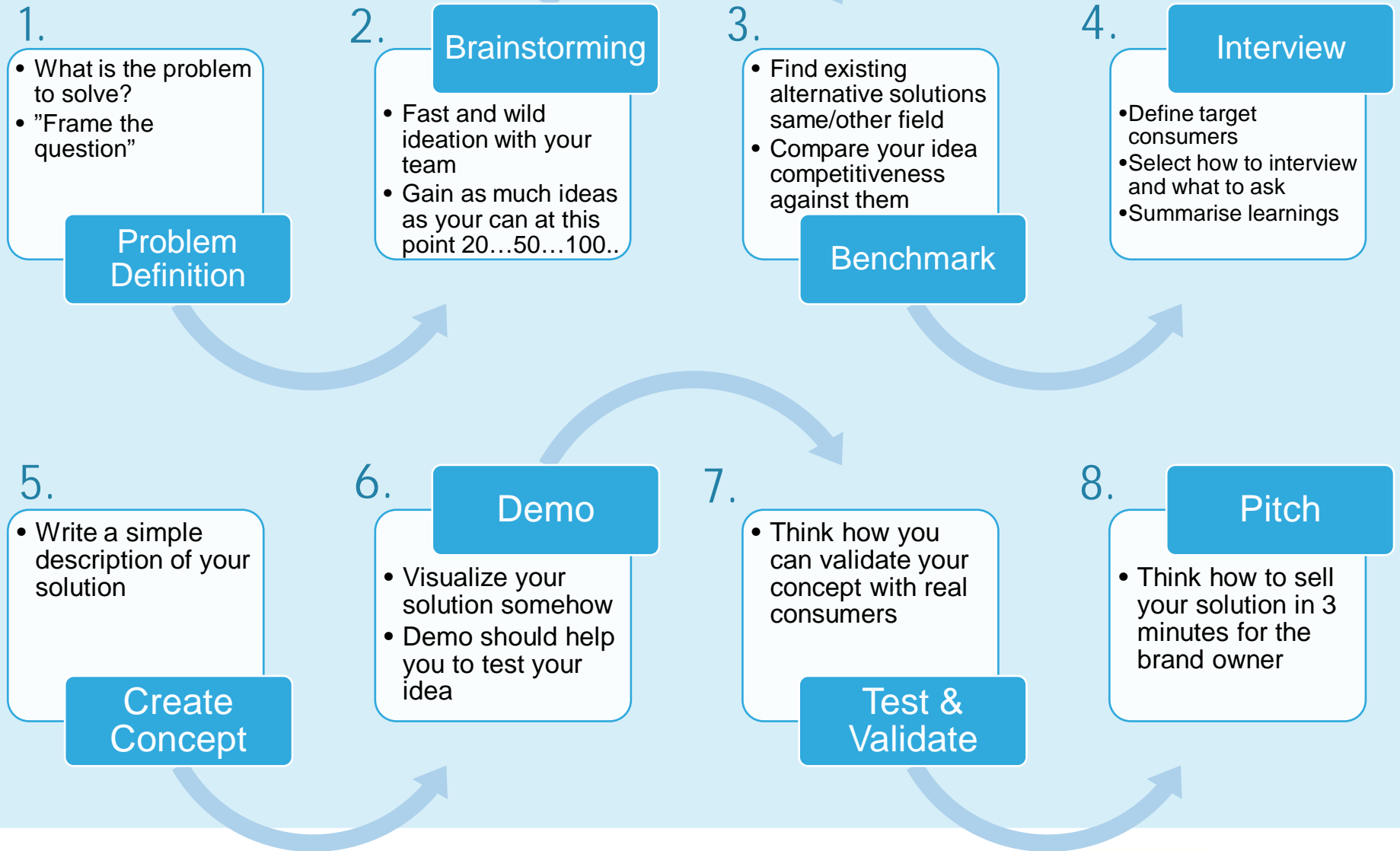Co-funded by the
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Introduction to Innovation Project Steps

Approach Used in This Course

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Innovation Project Steps

1.

- What is the problem to solve?
- "Frame the question"

Problem Definition

2.

Brainstorming

- Fast and wild ideation with your team
- Gain as much ideas as your can at this point 20…50…100..

3.

- Find existing alternative solutions same/other field
- Compare your idea competitiveness against them

Benchmark

4.

Interview

- Define target consumers
- Select how to interview and what to ask
- Summarise learnings

5.

- Write a simple description of your solution

Create Concept

6.

Demo

- Visualize your solution somehow
- Demo should help you to test your idea

7.

- Think how you can validate your concept with real consumers

Test & Validate

8.

Pitch

- Think how to sell your solution in 3 minutes for the brand owner

1. Clarify Problem Definition with your team

- Starting point
  - Your team works in the RDI-development of a plastic innovation company that sells packaging solutions to brands. Your task is to innovate a service concept, which a brand can elaborate on to engage their consumers to circularity objectives and actions.
  - Your service concept may e.g. be an interactive application, a feature of a package, or an establishment of a consumer community. You can select an existing packaging solution, and develop their consumer engagement system/models (e.g. reuse examples by Ellen MacArthur
- Create a clear problem definition – Frame the question

2. Brainstorming

- Fast and wild ideation with your team
  - What could be our project definition, what interesting concepts do you have in your mind for further development? What plastic packaging or service concept needs improvement?
- GUIDE
  - Start with individual brainstorming (5 min) followed by team brainstorming (10 min)
  - The participants share all ideas that come to their mind with the team (gain as many ideas as you can)
  - All ideas are written down (no criticism is allowed)
  - After the brainstorming the ideas are evaluated in the team →voting, group ideas
  - Select the winning idea with your team!
- Notice that you will need more than one brainstorming session during your innovation project!

3. Benchmarking for innovation - instruction

- Benchmarking is a process of comparing the company's products and services against other companies' (competitors) products and services. The objective is to learn from others and increase the capability to question one's own knowledge and practices. It is also relevant to know whether someone else has already solved the same business problem.

- In the team, benchmark at least five different solutions against your business problem. TIP: use e.g., by using search words innovative packaging solutions, innovative plastic packaging, innovative reuse solutions, etc. The solutions that you benchmark do not need to be from the plastic packaging industry.

- As part of the benchmark read the blog text "We can reimagine the brand-consumer relationship with circularity - let's make most of it" written by Laxmi Adrianna Haigh and Yasmina Lembachar. The text discusses fashion, brands, consumers, and value creation: is there something that is applicable to your case as well?

- Present the benchmark findings of your team as part of the final pitch.

4. Interviews

- Who is the target consumer?

- In your team, interview at least potential 5 consumers of a brand that you work for. Your duty is to find out the benefits and value they could achieve from your service.

- Forming questions (Think about what do you need to know)

- Select how to interview

- Summarise the interview outcomes and present them in the midterm-check

5. Create Concept

- Write a simple description of your solution
- You should be able to explain it in just a few sentences

6. Demo

- Visualize your solution somehow so that you can easily discuss it with consumers

- Remember this is not a linear process – be prepared to alter and improve your demo after feedback from the chosen consumers
  - You can ask these kinds of questions: What worked? What didn't work? How could we improve? Is this solution feasible?

7. Test & Validate

- Think how you can validate your concept with real consumers
- **Ask opinions**
  - Think of what is the real value you are offering? Why buy this product? Why is this better than old solutions from user's point of view (not yours 😎)?
  - Focus on showing and not telling, listen to how they feel and react
  - Show your findings in the final pitch
  - Testing helps you to relate to the user's point of view

Alrubail, R. 2015. Teaching Empathy Through Design Thinking.
https://www.edutopia.org/blog/teaching-empathy-through-design-thinking-rusul-alrubail

8. A business pitch (3 min)

- A business pitch is a short presentation whose aim is to sell a product or service to a customer. From the Internet, you can easily find many instructions for the creation of successful pitches.
  - E.g., the https://www.boardofinnovation.com/tools/pitching-checklist/ provides a simple checklist (you can also watch their video.)
- The outcome of the project is a pitch to be presented to a brand that explains the concept and includes value propositions for end-users/consumers. The pitch must include
  - The service concept
  - Definition of the business problem
  - Results of benchmarking and consumer interviews
  - Consumer Value Propositions
  - What kind of value the brand can expect to gain with a service
- NB! Now is the time for look back at the previous steps – What valuable information did you collect and how could you summarise it into the three minutes?

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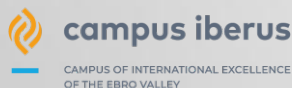
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