

# Rethinking the Role of Technology in Your Business

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## Rethinking the Role of Technology in Your Business

Over the last twenty years we've helped companies of all shapes and sizes develop software applications. We've seen successful projects that brought value to the business and improved the experience for the customer. We've also seen projects that consumed time, money, and resources and were not well received by the marketplace.

The goal of today's presentation is to discuss what we've learned over the years about rethinking the role of technology in business.

The presentation is divided into three parts:

Part 1 – Why innovation is important, why technology isn't (so much), and the value of asking why

Part 2 – The customer experience, developing customer insight, and evaluating ideas

Part 3 – The role of technology, a technology short list, and building great software

Let's get started.

### Part I

Most companies encounter two common problems at one time or another.

#### New Innovation

The first problem is the need to innovate – to deliver new offerings that attract and retain customers.

Here's a simple definition for innovation:

1. Your customer says "Wow!", and
2. They want to buy what you're offering.

Why is innovation so important?

#### Changing Expectations

Customer expectations have changed. The offerings you rolled out 10 years ago or, depending on your industry, last year are now commonplace.

Here's a non-technical example.

#### The Iron Cross

In the 1950's Albert Azaryan was the first gymnast to perform the iron cross in international competition. He won two world championships and two Olympic gold medals. Performing an iron cross made you an elite gymnast at that time.

Today the iron cross is classified as one of the second easiest routines you can perform on the rings. As a result, many gymnasts no longer perform an iron cross because it's not worth the effort for the number of points it gives.

## Scoring Scale

Make sure you use an up-to-date scoring scale when you rank your business against your competition. If your scale is out of date, you'll end up giving yourself high marks for something your customers don't really care about.

## The Next Generation

In addition to changing expectations with your current customers, a new generation of customers has emerged. These folks are digital natives who have been surrounded by technology their whole lives. They assume they can do business with your company using nothing more than a smart phone and their thumbs.

## The Competition

The final reason for innovation is your competition. Current competitors are not standing still. They are working hard to innovate so they can pull customers away from your company.

In addition, new companies are being started on a daily basis. By necessity, these companies must bring new innovation to the marketplace. If they can't attract customers they will go out of business.

## Choosing Technologies

The second problem is the overwhelming number of new technologies that are available. You recognize that technology plays a critical role in innovation. But what technologies should you use?

Which are game changers and which are just a flash in the pan? Should you use open source or proprietary software? Host in the cloud or on dedicated hardware?

The truth is...it doesn't really matter.

Why? Because there's no point in worrying about **how** you're going to build something until you understand **what** you're building and, more importantly, **why** you're building it.

## Case in Point

A couple of years into our business we were asked by a large Fortune 500 company to submit a proposal for writing an application. This was a great opportunity for us, so we put a lot of energy into the proposal. The client described what they wanted – the inputs into the system, the data to display, and so on. We listened intently and sketched out how we would go about building the system.

In a nutshell, the goal was to measure the levels of various chemicals at two points in a manufacturing process. They told us what they wanted and we told them how we could do it.

When it came time to present our proposal we met with the client. This included our primary contacts, their boss, and their boss's boss. During the presentation we had a flash of insight. You've probably had this experience too, where pieces just snap into place. The conversation went something like this:

*ITI: So we're measuring these levels before this black box and after. Would it be useful to show a delta of the levels between these two points?*

*The Boss's Boss: That's the whole point of this application.*

To his credit, our primary contact came to our defense, admitting that the need for the delta in levels had not been discussed.

But the real issue was that we failed to ask **why**. We focused on **what** they wanted and **how** we were going to build it. By not asking **why**, we failed to understand the primary goal of the project.

## What, How & Why

There is an excellent [TED talk by Simon Sinek](#) describing the relationship between **what**, **how**, and **why**. Simon asserts that all companies know what they do, and that some understand how they are different.

Here's a sample sales pitch: We make pens. They come in black. Our manufacturing process is environmentally friendly. Want to buy one?

Most companies just say what they do and how they do it and hope people will buy from them.

According to Simon, leading companies begin the conversation with why they are in business. They articulate the purpose, cause, or belief that drives them forward. Only then do they describe how they achieve that purpose and what they have to offer.

Here's our revised sales pitch: We believe in protecting the environment and using recycled resources. We've developed a unique manufacturing process that is environmentally friendly. We currently make pens. They come in black. Want to buy one?

*People don't buy What you do, they buy Why you do it.  
– Simon Sinek*

## Why ITI?

Why do people choose ITI to develop their software? We're certainly not the only software development company in town. There are also alternatives like off shoring and hiring a couple of computer science students and paying them beer and pizza money.

*People don't buy what you do, they buy why you do it.*

At ITI we believe that innovation is the key driver of business growth. **The real value of new technology is rethinking how customers interact with your business.**

## Rethinking Your Business

We've discussed why you need to rethink your business.

- Your customer expectations are changing.
- A new generation of customers is entering the market.
- Your competition is moving ahead.

In addition, new technologies have emerged that dramatically change how you interact with your customers.

## Part II

Now we're going to talk about how to go about the rethinking process.

## Start with the Customer

Since the target audience for innovation is your customer, start with the customer and work your way back to the technology.

Get out and talk with customers. CIO Magazine reports that only 9% of CIOs spend time studying market trends and customer needs.

- What do customers *really* care about?
- What is the real benefit they receive from your product or service?
- What are the frustrations they experience?
- What are the "accepted obstacles" in your industry?
- What's happening in other industries that could be applied to yours?
- What regulations are impacting you or your customers?

Keep track of the problems and ideas they give you, no matter how crazy or impractical they sound.

**The only difference between a problem and an idea is the language used to describe it.**

## Tempting Shortcuts

It's tempting to try to shortcut the process by looking at what your competition is doing and trying to get a step ahead. Since this is fairly easy to do, everyone does it and it has limited value. It also doesn't help you understand your customer better.

It's also tempting to just ask customers what they want.

*“If I had asked people what they wanted, they would have said faster horses.”*  
– Henry Ford

Ask people what they want, but understand that it’s just the starting point for discovering their actual needs.

## Customer Insight

Look at the feedback you’ve received from your customers. Add your own ideas and insights. Your goal is to develop a deep understanding of your customer – to really get inside their head.

Customer insight allows you to distinguish between what a customer wants – a faster horse – and what they really need – faster and more reliable transportation.

Why? **The driver of innovation today is not technology, but insight.**

## Case in Point

AlertNow is a client that illustrates the value of good customer insight. They provide emergency notification for K-12 schools. These are the phone calls you may have received early in the morning indicating that a snow flake was seen somewhere in the county and that schools will be closed for the day.

They began the business using just the tools offered by their voice provider. They filled in the gaps of the toolset using people and process. The top salesman they hired was a former teacher. Most importantly, they focused on understanding the needs of school administrators and teachers.

They approached us when they were ready to scale the business. Ease of use was a primary design goal for the new system. Most people say this, but few have the insight to describe what ease of use means to their customers.

AlertNow understood that their users only cared about three things: who to send the message to, what message to send, and when to send it. This three step approach became the core of the system. As more complex options like text-to-speech and language translations were added, we were able to preserve the simplicity of the three step approach.

Their product was well received and they began taking market share from their competitors. Years later their largest competitor purchased the company for \$33M.

## Insight Drives Innovation

If you have robust insight into the needs of your customers you have a better chance of developing a successful offering. Using this insight you can answer the barrage of questions that are generated during the development cycle. You can also table ideas and features that don’t resonate with your customer insight. Customer insight is also important in defining the customer experience.

## Developing Your Ideas

So you've talked with your customers and developed an understanding of their goals and needs. Along the way you've probably picked up ideas from customers and generated a few of your own.

Take a look at the list. Are there any common themes? What underlying problems are being expressed? Can you turn specific requests into a broader goal?

## Imagine the Benefits

As you look at the list, don't think about specific solutions or technologies. Imagine that you have solved the problem and implemented a solution. Think about each item on your list:

- What benefits does it offer the customer?
- How would it change the way customers interact with your business?
- Would it make you money? How much?
- Would it reduce your costs? How much?
- Would it put you ahead of your competition? How far?

Does a particular idea have the potential to turn your customers into raving lunatics for your brand, willing to stand in long lines, in bad weather, just to get the newest version of your product – it's 3mm thinner! – even though they have the previous version and it works just fine?

## Business as a Service

Think of your business as a set of services that can be plugged into your customer's business. In doing so, you can provide your customer with:

- Greater access – beyond business hours
- Better visibility into the process
- Notifications at key points in the process

One of our clients made it easy for their customers to search their database of prior policies. Now their customers can incorporate a search into their business process, and run these searches any time of the day.

## Brand Resonance

Look for items that resonate with your brand, business drivers, or core values. Look to your "why" statement. Your customers already understand many of these and will take notice when you continue to improve them.

## Have Courage

If you were starting your business today, how would you offer your product or service to your customers? Don't get tripped up with objections:

- We've invested millions in our plants, store locations, proprietary network, etc.
- We have established channels or sales territories that we have to protect.
- We can't jeopardize the revenue stream of our core business

If you're not willing to take market share from another part of your business, your competition will gladly do it for you.

Also remember that change is hard and takes time to implement.

## Kodak

Did you know that Kodak invented the digital camera? They couldn't figure out what to do with it. Now they are in bankruptcy.

## Part III

We've talked about the hows and whys of rethinking your business. Now let's talk about the role of technology.

We've found that technology serves two primary roles in business.

## The Status Quo

The most common use of technology is to meet the status quo. Everyone else has a web site, so you need one too. Everyone else does electronic billing, so you need it also.

Maintaining the status quo doesn't directly help you win business, it simply keeps you from being eliminated from consideration in the first round.

Spending on status quo technology is an expense. Your goal is to spend as little as possible to make it work.

## Making Something New

Successful companies use technology to support and enhance their competitive advantages. Again, the real value of new technology is rethinking how customers interact with your business.

For the most part, everyone has access to the same technology. The driver of innovation is **insight**, not technology.

*Technology by itself can't make a company or leader great. The role of technology is to accelerate greatness that's already there, not to build greatness in the first place.*

– Jim Collins

## Technology Short List

Here's a short list of technologies that can dramatically change how you interact with your customers:

- Web applications
- Mobile applications
- Voice, email, and SMS notifications
- Software as a Service (SaaS)
- Cloud computing

## Software Development Approach

Over the years we've put together a software development process that's worked well for us and our customers.

One of the first steps is to understand **why** we're building the software and **who** the primary users are. We believe this is just as important as understanding **what** the system needs to do.

Oddly enough, on most projects writing the code is the easy part.

## Keys to Success

Here are several keys to successful projects:

- Understanding the business drivers behind the project
- Generating insights into customer needs and market trends
- Approaching the design of the user interface from the perspective of the customer
- Identifying and focusing on the most important features of the system

## User Stories

We break a project down into user stories that describe the actions a user can take within the system. A user story could be as simple as "reset my password," or more complex like "manage new orders."

By approaching the system through user stories, we stay focused on the end user and the functionality needed to provide them with value and benefit.

## Iterations

User stories are then grouped into iterations. Typically an iteration is one or two weeks in duration. Iterations allow us to get feedback from the client as early as possible.

## Communication

Communication is a key part of the development process. We rely on the business expertise of our clients to provide insight into workflow, business rules, and the overall functionality of the system.

Everything works better when there is trust and communication between the technical and business members of the team.

## Summary

Companies need customers to stay in business. Innovation is a key element for attracting and retaining new customers. Innovation is driven by Customer Insight. The more you know about your customers, the better your chances for creating new offerings that they will notice and buy.

The real value of new technology is rethinking how customers interact with your business.

## Thank You!

I welcome your comments and feedback. I'm also open to continuing the conversation over the phone or a cup of coffee.

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