



Experience Innovation – The Next Generation

By Rob Rush, CEO, LRA Worldwide

Oh no, not another article on innovation, your brain is screaming from every synapse. Please don't subject me to another rapturous ode to Southwest Airlines, Ritz Carlton or – gasp - Disney.

Relax. Aside from the fact that there is a certain been-there, done-that feel to recounting the customer experience innovation triumphs of the trio mentioned above, it seems almost counterproductive to try to mimic these three exemplary companies when trying to figure out how best to wire the

“innovation” pathway within your own company. They can seem a wee bit...intimidating. When you're trying to teach your four-year old son to ride a bike, you don't attach the training wheels and show him video of Lance Armstrong climbing the Alps. Chances are, your company is strapping on its innovation training wheels and the last thing you need at this time is a ride-along with Mickey Mouse.

My company was lucky enough to participate in a recent study on innovation conducted by Peer Insight, a Washington, DC-based research and consulting firm focused on service innovation and customer experience design. The study was commissioned by the Finnish government to better understand how U.S. companies use innovation to create value for their clients and customers. We were one of the 12 case studies included in the report, with participants ranging from financial service giants such as Bank of America, to major toy manufacturers such as Mattel...to a little ole' consulting company like ours.

While the study yielded a number of findings, there was one somewhat ancillary theme that probably wasn't a key takeaway for Finland, but really resonated with me. In short, innovation is all well and good and necessary, as long as it only enhances your (or your clients) core competency and deliverable. Once you start messing with that core deliverable, then you run the risk of compromising the reasons that your customers and clients are working with you to begin with.

Say, for example, that you run a custom, handmade widget business. Any innovation that helps your customers better find, order, ship, source and utilize your widgets is fantastic. Any innovation that may increase efficiency, output and capacity while somehow compromising the “handmade-ness” of the widget...is self-defeating.

(Yes, I realize I made up a word there. Call it author's license-ness.)

Reflect on your company's mission statement. Does the innovation help you fulfill this mission? Provide you with more time for the ultimate pursuit of this lofty goal? If so,

great. Does it in any way detract from your core reason for being? If so, then this is probably an innovation for innovation's sake, not one that your customers – even the early-adopter types – are clamoring for.

In my observation, this has been the fault line in an uneasy coexistence between the hospitality industry and innovation over the years. I've railed about it in past articles that have appeared in this space (see "Do 'Hi-Tech' and Hospitality Belong in the Same Sentence," June 11, 2007), but quite often the technology innovations within the hospitality industry detract from the conveyance of actual hospitality. In an industry where the sense of being taken care of is a core competency, any innovation that minimizes human contact is a step in the wrong direction. On the flip side, any technological innovation that creates additional opportunities for human interaction – by creating more time for your staff or providing additional guest information, for example – is a winner.

Sometimes, the innovation is completely incongruous with the environment, yet when you match up the mission and how the innovation enables its pursuit, it makes perfect sense. I read a recent article about the Seed Day Care Center in Yorktown, New York, which invested a good deal of money into innovative technology that seemed irrelevant for a company that aimed to "ensure quality child care and provide for the intellectual, social and spiritual needs of children." The Seed used cutting-edge technology in the form of a state-of-the-art electronic entry and parent-teacher communication systems to improve security – "a novel approach in a traditional industry." The ancillary benefit? Seed Day Care got better at what they do best. In the words of Patricia Colleran, co-owner of the center, "I used to constantly be distracted and worried about who was coming in...but with the new technology, I have been able to focus my energies on the kids." ⁽¹⁾

With a lightened load (both physical and mental), Colleran was better able to fulfill the core competency and mission of her school – attending to the intellectual, social and spiritual needs of the kids. Security – and the peace of mind that comes with it - is certainly a necessary condition of fulfilling those needs, but the means in which that security is provided is less important. If an innovation can provide it better, faster, cheaper, great. But the core deliverable – childcare (with a purposeful emphasis on the care) – would suffer if subjected to the same better, faster, cheaper innovation filters. There are no innovative shortcuts to "care."

The focus of my company's portion of the Peer Insight study revolved around a technology innovation that is fulfilling that requirement - add value, don't detract from the core deliverable - on two levels. By creating a web-based quality management tool for the hospitality industry that has automated a number of the inefficient, paper-based management tools of the past (PIPs, Waivers, Management Action Plans, etc.), we have a.) allowed our consultants to worry less about paper-pushing and more about providing insights on the guest experience to our hotel clients, and b.) allowed our hotel clients to worry less about paper-pushing and more about serving guests. Less paper. More insights. Better guest experiences. Positive innovation.

A final takeaway from participating in this study stands in contrast to another traditional hospitality industry obsession – benchmarking. The same corporate brand managers and property General Managers who are yammering about the importance of innovation are also abnormally fixated on benchmarking...which, when you think of it, may be the

opposite of innovation. If an innovative orientation is akin to the “one giant leap for mankind” cosmic school of thought, then a benchmarking focus is the small-minded, provincial ambition of keeping up with the Joneses.

As Jeneanne Rae, President of Peer Insight, observed in BusinessWeek, “Customers are more sophisticated and demanding than ever before. Expectations are regularly informed by outside benchmarks such as how fast you can order tickets online or how easy your iPod is to use, not necessarily accepted industry standards.” So comparing your performance against the upscale, full-service competitor down the street is passé; doing so against Singapore Airlines or the Apple Store at the mall makes more sense. Is your innovation providing value in relation to the beds and room service next door...or against the totality of well-executed (and innovative) experiences that a consumer encounters in any given day, week or month.

Innovation doesn't have to be a tired refrain, a four-letter word or an abstract, intimidating concept. It does ultimately have to bring value to the customer...without compromising the value that customer was seeking from you to begin with.

References:

1. http://www.dell.com/content/topics/topic.aspx/global/shared/bizportal/en/success/articles/seed_day_casestudy

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