



# 5 SECRETS FOR CO-CREATION PARTNERSHIPS

**Chip R. Bell**

# The Iraq Museum in Baghdad

contains a stone that displays a carved 9th century B.C. relief of Assyrian King Shalmaneser III shaking hands with Babylonian King Mardukh Zakir Shumi. Shalmaneser ruled Assyria (now Iraq and Turkey) for over 35 years. Two features of the relief are worth noting. It is the first picture ever discovered of two people shaking hands. And, each man is carrying a shepherd's staff, believed to be a mark of royal authority on peaceful occasions.

The handshake has been the symbol for partnership for almost three thousand years. Some historians believe it became a trusted gesture of alliances because the open hands revealed no weapons; the up and down motion was intended to shake out any weapons hidden in a sleeve. It is associated with a pledge or promise.

A partnership is the paramount confederation for creating and nurturing innovation. Examine the cultural components of organizations famous for innovation and you will discover they are filled with partnership virtues—curiosity, purpose, growth, and trust. Most innovative enterprises have successfully exorcised fear from their workplace. Most have elevated passion and erased protectionism. Most revere organizational forms that support freedom and creativity over control, rigidity, and judgment.

Organizations today ardently pursue innovation because simply continuously improving their offerings is not sufficient to remain competitive. However, most organizations that are thriving today have already been reorganized, leaned and “six-sigmaed” to the max. Additionally, successful disruptors are strongly influencing their “go to market” strategy.

But there is more to the 9th-century relief than a handshake between kings. There is the symbol of a shepherd's crook, a long staff used to protect and guide sheep. The shepherd has always been a symbol of courage, one who protected sheep against wild animals. Through the ages, the shepherd has symbolized calm and safety. Shepherding a partnership implies the parties take great care of one another; it also suggests taking great care of the relationship itself. The king of Assyria and the king of Babylonia announced an innovative partnership with that handshake.

Enter a new player on the innovation partnership scene: the customer. This "other king" has been historically treated as a bit player. It can sound like, "We know our customers and what is best for them," or "You don't understand how we do business here," or "Customers in the boardroom? Are you joking? What about insider information and airing our dirty laundry?" Some organizations claim a partnership with customers, but when the relationship is put under a microscope, the "other king" is merely a "member of the court."

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When organizations attempt to create a product or service they hope the customer will buy, or they craft a solution they hope the customer will accept, the creating and crafting are typically done with a factory mentality. That means raw materials, expertise, and ideas are assembled in a protected environment far from the ultimate users and then sold to them in the marketplace.

While market data is gathered (so that we can make what customers will want), the customer is never invited into the “factory” to assist. That mentality can fuel a separateness and an air of superiority. Sure, there are test markets, pilots, and prototypes, but the customer is never the “other king.” And, the shepherd’s staff is not a tool to protect the relationship.

“The purpose of business is to create and keep a customer,” wrote Peter Drucker, the father of modern management. Organizations create a customer by convincing a prospect that the enterprise is uniquely qualified to meet her or his needs and expectations through their offerings. Assuming that offering continues to do its job for the customer, that customer is kept through ongoing positive experiences with the organization.

This truism is based on two assumptions—the customer knows his or her needs, and the organization has offerings in sync with them. It is, therefore, an equation grounded in a certain degree of certainty. But, what if the customer’s needs are emerging or vague, or even unknown. What if they start out definite but become imprecise? What if their needs do not closely match the organization’s offerings?

Historically, this vagueness on either side of the equation would trigger a few scenarios. The customer would settle for an offering thought to be not wholly satisfactory, but would say, “It was the best I could find.” Or, the customer would not settle for an offering that was slightly off and would continue the search. The organization would try to get the customer to buy something it already has to offer that would only partially meet the customer’s needs. Or, the organization would suggest the customer continue the search.

But, what would happen if the customer was so loyal to the organization that he or she was willing to hang in there at the juncture between need and offering until it all became clearer? What would be the outcome if the organization was so loyal to the customer that it was willing to help the customer discover the solution, including one it did not offer? What if customer and organization could meet at that need-offering juncture and together figure out an outcome that is entirely new? Envision what would be the path if the best answer lay inside the imagination of the customer?

## **THE ALCHEMY OF CO-CREATED BREAKTHROUGHS**

Organizations need breakthrough products, services, and solutions to compete effectively. They need the customer’s imagination to ensure the discovery of innovative and valued offerings. Accessing the customer’s imagination requires a co-creation partnership that invites and attracts creative contributions. A co-creation partnership takes: 1) *curiosity* that uncovers insight, 2) *grounding* that promotes clear focus, 3) *discovery* that fosters risk-taking, 4) *trust* that safeguards partnership purity, and 5) *passion* that inspires energized generosity. This journey leads to ingenious outcomes and a customer who emerges as an advocate.

A partnership can be a key to accessing the customer's imagination. Done properly, it is an alliance of trust and a liaison of equality. But, most organizations manage customer partnerships in a way the customer, if a partner at all, is more of a junior partner. The organization remains in charge and lets the customer have a limited role. It's like plowing with my dad when I was a kid.

When I was seven or eight years old, I would sit with my dad in the tractor seat as together we plowed a field. We were partners. But, when we came to the end of the row, he took over. He raised the plow, slowed the tractor, made the turn, lined the tractor up on the next row, and lowered the plow for me to resume steering. I felt like a partner, but I was clearly not an equal partner, only an active participant. It was an appropriate status since I was too short to reach the tractor pedals. The customer, on the other hand, is plenty tall.

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## CO-CREATION VERSUS CUSTOMER PARTICIPATION

Customer participation is not a new concept. There are many examples of customers being encouraged to get involved. The Craddock Terry Hotel, housed in a 1905 converted shoe factory in Lynchburg, VA invites guests to take the hotel's dog concierge, Penny Loafer, on a walk through the town's historical district and to "decorate your own tree" during the winter holidays with shoe-themed ornaments. Two of Starbucks' most popular items—cake pops and pumpkin spice latte—came from the imagination of their customers. So, did splash sticks and free Wi-Fi, along with 150,000 other innovations via the company's MyStarbucksIdeas platform. Participation helps customers put skin in the game. But participation and partnership are not the same thing.

The word "customerization" was introduced by management guru Tom Peters in his 1992 book *Liberation Management*. "Customer focus," he wrote, "still clutches the tired imagery of 'us' designing to attend to 'them'; 'us' as active, 'they' as passive." It is a Copernicus-like view, with the customer revolving around the products, services, or solutions provider. His metaphor suggested a better approach: to think of the relationship as being like the one between a potter and potter's wheel, where the provider provides the clay and the machinery and the customer creates the pot—"something neither one could have accomplished alone."

## GETTING INSIDE YOUR CUSTOMER'S IMAGINATION

Deep inside every customer is a treasure trove of half-baked ideas, creative capacity, and ingenuity-in-the-raw. Some customers are aware that trove exists; others have no clue. The key to unlocking this vessel of innovative goodies resides only with the customer. Think of the challenge as a bit like helping a very cautious person demonstrate courage. When an organization builds that kind of deep, valued partnership with customers—a coalition laced with curiosity, grounding, discovery, trust, and passion—three important outcomes occur.

First, some customers discover their treasure chest. Second, some customers become willing to open that chest and share it with the provider. But a third thing happens that is purely magical. It changes the provider as well and the entire relationship is enriched. The value of the co-created offering becomes more valuable to all involved, ensuring the long-term viability of the partnership. There are partnerships with customers. And, then there are co-creation partnerships. Co-creation partnerships operate with intimate customer connections, a high level of structural freedom, and an obsession for “being the customer.” Inclusion and transparency are second nature.

## FIVE SECRETS FOR CO-CREATION PARTNERSHIPS

The goal is to encourage customers to discover and disclose their imagination and meld it with the provider's imagination in order to create an offering that exactly matches the customer's hopes and aspirations. From the cultural features found in most innovative companies emerge five secrets for fostering co-creation partnerships between providers and customers. Included with the explanation are examples of their application.

## Secret # 1. CURIOSITY: “Be” the Customer

The Curiosity subtitle borrows from the “be the ball” advice coaches give young athletes to encourage them to focus and retain attention. This secret zeroes in on developing a deep connection with a customer that bonds, affirms, and supports, thus inviting and encouraging the customer to both source and share his or her treasure chest of imagination. Curiosity is the extractor of insight.

Curiosity is fundamentally an optimistic treasure hunt—a gallant search that occurs without proof or guarantee. Curiosity is a human itch in search of a scratch. It reflects a yearning to know, not in a pious or smug way, but rather like the resolution of emotional dissonance—a familiar tune that stops before the last bar. Curiosity may have been death to the cat but it is the birthplace of ideas. And, it is a static state, like hunger, desire, or affinity, until it is activated. Curiosity in action feeds the yearning. We start here because curiosity is the secret map to accessing and mining your customer’s imagination.

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A manager of a large hotel wanted to better understand his guests' needs and concerns. Instead of using surveys, he held focus group meetings with the taxi drivers who frequented his property to transport guests. Guests were honest with the taxi driver who asked, "Tell me about your hotel stay." The hotel manager learned when guests complained that their bath towels smelled a little scorched like they had remained in the dryer too long, what they were really concerned about was a hotel fire started in housekeeping. When they complained about dust balls spotted under their bed, what they really worried about were bugs in their room. It was uncovering insight, not just gaining understanding. Co-creation partnerships are the pursuit of collective insight.

### **Secret # 2. GROUNDING: Partner... on Purpose**

This secret enables high-performance collaboration centered on the juncture between the customer's needs and hopes and the provider's mission and values. It is targeted innovation. It is purpose-full with helpful guardrails and collective accountability. Note the double meaning of "on purpose." Grounding disciplines the co-creation partnership to maintain a clear focus. Grounding is ensuring an intentional laser focus on the real problem or opportunity.

A real estate development company built an office building. The employees of the building's tenants complained about the slow elevators at the start of each workday when many people were starting work at the same time. The company looked for a resource for help. One resource suggested building another elevator. Another suggested staggering start times, but the real estate company had no control over when tenants started work. A third realized the real issue was the impatience of employees. The solution: they put floor to ceiling mirrors around the elevators. Employees were so preoccupied looking at everyone in the mirrors, they did not notice the wait.

### **Secret # 3. DISCOVERY: Spark Daredevil Learning**

The Discovery secret expedites and catalyzes the collective search for innovation by turning tryouts into a bold, risk-taking learning adventures. It engenders growth on steroids, learning that is empowering and aha-producing. And, it provides a welcoming portal for the customer's imagination to emerge from inside out. Discovery fosters risk-taking and experimentation.

Harley-Davidson was on the brink of bankruptcy, after years as a cult-like brand. Japanese bike makers Honda, Suzuki, and Kawasaki along with German giant BMW were entering the domestic market in the 1960s, eating deeply into Harley's market share. The newcomers were giants with deep pockets; Harley had heritage and mystique, features hard to put on a bank deposit slip. AMF bailed them out by purchasing the company. Harley's quality suffered as AMF pushed the company into aggressive overproduction. Then, in the unkindest cut of all, AMF replaced the iconic Harley brand name with its own. Survival of one of the world's most renowned brands was unlikely.

Harley turned to its customers. Willie G. Davidson, the grandson of one of the founders and the 64-year old head of the design department, donned a black jacket and beret and took to the road on his Harley to meet with customers across the country to honestly relate their challenge and plead for their help. Customers wanted the old motorcycle models with the outlaw flourishes that turned Harleys into "choppers." And, they were willing to help promote the brand. Returning from his learning trip, Willie G. designed all new lines like the Softail that mimicked the style and classic elegance of the 1940s' Hydra Glide.

They also, in 1983, established the Harley Owners Group (H.O.G.). Twenty-eight people came to the first bike rally. Today, there are over a million members and Harley-Davidson is a success story. And, the company continues to push what retired CEO Rich Teerlink called “unfinished finished products,” aftermarket products for owners to customize their bikes. Access to the inside your customer’s imagination comes with learning and discovering together out loud. Harley knew its customers treasured the colorful legacy of their storied brand. So, the ambassador they sent was more of a missionary than a corporate spokesperson; he was someone who could relate, rally, and recruit the heart and soul of customers. They also knew customers had to be the centerpiece of their resurrection.

#### **Secret # 4. TRUST: Pursue Truth, Justice, and the Imagination Way**

The Trust secret centers on being an active custodian of the relationship so that it always honors candor and has planned for the inevitable hiccups likely to be a part of a vibrant, high energy partnership. It harnesses creativity as it guides its transformation from rough idea to polished execution. Trust safeguards the co-creation partnership to preserve its purity and wholesomeness. But it starts with the whole truth.

Trust safeguards the co-creation partnership to preserve its purity and wholesomeness.

“Ladies and gentlemen, another on-time arrival by Mayday Airlines,” the pilot announced as my plane pulled up to the jetway. A quick look at my always-accurate smartphone, revealed we were actually fourteen minutes past the posted time I had told my client this flight was scheduled to arrive. I later learned that “on time” in the commercial flight arrival world had a fifteen-minute grace period. A pilot once told me it was like EBIT (earnings before interest and taxes). “The FAA built in a fudge factor for on-time since we cannot control the airfield traffic while we are taxiing to the gate any more than your employees can impact interest and taxes.”

But, what about customer transparency? What about the promise made or implied to passengers? Can you imagine the lyrics of Lerner and Loewe’s *My Fair Lady* tune being changed to: “Get me to the church within fifteen minutes of the wedding time?” Or how T-minus countdowns might impact rocket launches if there was a fudge (a.k.a., fib) factor? If on-time truly meant “on-time,” wouldn’t there be a greater incentive for airlines to collectively demand greater efficiency on the airfield and tarmac since they all would be getting dinged for unavailable gates or tardy ground crews? Trust comes from making honesty a best practice, not a best policy.

### **Secret # 5. PASSION: Never Stop “Courting”**

When my wife and I had a party to celebrate our fortieth anniversary, someone asked her the secret of our long-term marriage. Her three-word answer is the subtitle of this secret. The Passion secret fuels the co-creation partnership with signs of admiration and actions of caring that keep the alliance fresh and spirited. As an obvious source of focused joy abundance and gratitude, it makes a co-creation partnership contagious, motivating others to support it and inspiring others to emulate it. Passion sparks energized generosity.

Victoria's Secret Catalog was a fun client of mine a number of years ago. Under the brilliant leadership of then CEO Cindy Fields, the company's revenue grew from \$50M to \$800M. It was also a time the company elevated its emphasis on the customers' experiences with their call center, not just the merchandise customers purchased.

One component of their "voice of the customer" initiative was to hold focus group sessions with a group of customers chosen because they had recently bought and/or returned VSC merchandise. The first focus group was attended by all of the senior leadership, including Cindy. At the end of the session customers were given a gift, and while they got a tour of the facility in Columbus, Ohio, the executives who watched the focus group worked on ways to translate insights gained into actions or, in some cases, a wakeup call to get more intelligence. It was the kick-off of an initiative that enfolded customers into the internal operations of the company.

The highlight of the first focus group session was inviting the customers at the end of their tour to have lunch in the employee cafeteria. Prior to their arrival, the word was quickly passed that a group of customers was coming to the cafeteria. As they entered the large cafeteria, the entire room erupted in a lengthy standing ovation. It was powerful and it was affirming! In the words of one employee in the room, "This makes my challenging work worth it." And, in the words of one of the customers in the room, "I have never felt more respected in my whole life. I don't want this relationship to ever to be over."

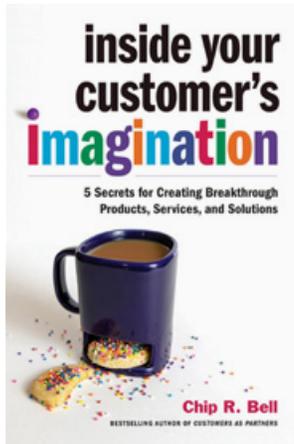
What was special about this passionate working celebration? It was egalitarian. Customers were not treated as visitors, but as an integral part of VSC's regular business operation; their feedback was valued, and their ideas were cherished. And, they created a way for their contribution to be honored in a profound and awe-inspiring manner.

Making the shift from viewing customers as junior partners to full partners requires actions that convince and consistency that proves. Customers are not accustomed to being in an equal position with providers. The whole negotiation of price, for example, illustrates the challenge of partnering in today's competitive, transaction-driven world of commerce.

**The traditional view of “You have a need, I fill it” must be converted to “we” pronouns. It starts with recognizing the treasure trove of ingenuity that lies within every customer and it ends with the nurturance of an evergreen alliance for growth, commitment and progress. 📖**



# Info



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## ABOUT THE AUTHOR

Chip R. Bell is a renowned keynote speaker and the author of several award-winning, best-selling books. Global Gurus in 2020 ranked him for the sixth year in a row in the top three keynote speakers in the world on customer service. This paper is adapted from his just released book, *Inside Your Customer's Imagination*.

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