

Foreword

The fact that customers can be a major source of innovation is well known. Research traditions on user-driven innovation have received a lot of attention since the first research attempts in the early 80s. With today's trend of opening up the internal innovation process, innovation actors are no longer restricted to R&D or cross-functional internal teams but include external partners as well. Open innovation and open R&D models are means to manage the increased technological complexity and customer demands in the global market place. The roles of customers are no longer restricted to passive consumers whose latent requirements need to be identified. Instead they have become an active and important part of the innovation process. Von Hippel's 'Democratizing innovation' is today's mantra, but how are we to integrate customers in the innovation process and how can such a process be managed?

Patricia Sandmeier analyzes how companies can establish a continuing transfer of customer knowledge to the innovator. She draws on more than 22 European companies and her analytical framework for the case analysis is based on the rather new approach of Extreme Programming (XP) in the software industry. While this approach and the underlying agile project management practices have received a high acceptance among software engineers, the concept is less known in the 'hardware world' of new product creation.

The in-depth analyses of industrial firms, Hilti and Buechi, and technical service firms, IDEO and Tribecraft, demonstrate how such a process works in practice. The approach of this work is new and has many implications for R&D management: Derived from the XP approach, Patricia Sandmeier proposes decentralized customer-centered innovation cells as a new form of organizing an industrial R&D department. This kind of management includes bottom-up resource attraction instead of the traditional functional top-down resource allocation in R&D. R&D becomes more of a knowledge broker where creativity of customers are used and multiplied for new product creation.

This is a convincing book for reflective practitioners and scholars in the field of user innovation. The proposed framework shows how the democratization of innovation (von Hippel, 2005) can be managed by integrating customers in industrial product innovation. I hope for a wide distribution of Sandmeier's work and wish all companies employing these concepts the best of success.

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