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Proceedings of the Center for Knowledge Societies

From Products to Solutions: Building Ecologies for Business Innovation

Many companies, embracing innovation in emerging economies, are shifting from simply selling their products, to starting to think about offering integrated solutions. This appears to be a response to both the need and the opportunity presented by emerging economies which have large untapped markets but also fractured and fragmentary infrastructure and incomplete ecologies in every industry vertical. What this means is that companies can and must forward integrate and offer not only a product but also a suite of services and solutions that can enable the product to actually be taken up.



One of the world's leading cements, concrete and aggregates manufacturer, is in the middle of a global restructuring, transforming itself from a building materials company to a construction solutions company. In order to be able to make such a change, all levels of the company must now learn about the process of construction, elements of waste, mistakes in inventory management, site location, planning and logistics. These can no longer be their customers' problem, but rather represent critical opportunities for the company to create new value by taking on some of these responsibilities and doing a better job than the construction company can do itself. It is obvious that this movement from a product company to a solutions company requires a detailed, strategic and insightful mapping of the market ecology within which the construction company operates.

This requires a new kind of ethnography, which we may describe as strategic or business ethnography, viewing the ecology with an eye towards creating or conceptualizing new kinds of value, and it is with this approach that CKS ran an innovation workshop at a construction site in Bangalore on the 29th of May 2013.

The workshop was attended by seven representatives from the company's global executive team, ranging from senior vice presidents, country CEOs and innovation leads. Many had years of experience in the construction industry and on construction sites, never the less we asked them to attend carefully to the facts on the construction site that served as the location for our workshop. Over the course of the half day they worked with counterparts from the Indian construction company to review systems and processes in play at the site.

We divided the participants into three teams, each consisting of two to three of the company executives paired with a representative of the construction company from the site. Dressed in white hard hats, protective eye gear, high contrast safety vests and steel tipped boots, all three teams walked around the three acre site and visited different areas of construction, storage, planning, and on-site logistics. Each team was given a topic and asked to address a particular kind of challenge. Upon their return to our workshopping space on site, they were asked to present their various observations as to how work was being conducted, and what opportunities existed to do things differently.

Localization, contextualisation, customization and innovation

The first team looked at the location of concrete mixing facility on the site, and pointed out that it was at a far end of the site, causing substantial time loss in moving mixed concrete to the multiple towers rising 20 stories into the sky.

Transport, storage, logistics and inventory management

The second team pointed out that there were thousands of bags of cement piled high and deep in storage, making it difficult to fully evaluate the wastage associated with the stock piling approach to cement and related raw materials.

Lowering cost, eliminating waste and duplication

The third team estimated that 5% of labour time and material consumption was spent on several instances of rework being undertaken, owing to the way in which the construction process was planned and coordinated.



Following these presentations the teams went into a rapid 20 minutes brainstorming exercise where they ideated solutions and service concepts - off site custom casting as a means of dealing with staircases and architectural motifs, ready mix solutions that could serve construction towers individually obviating the need for concrete mixing on site, new uses of mobile media, data integration and systems analysis could vastly reduce reworking. These were laid up on a white board as post-its of different colours.

A senior vice president of the construction company zeroed in on those that were most relevant, with respect to cost and time. We then entered into a larger conversation about what more needed to be done, so the company could be viewed as a credible, reliable and valuable partner in the construction process.

For more information on innovation workshops and other offerings from CKS visit our website at www.cks.in or contact Manu Makker at outreach@cks.in

At this late stage new ideas came bubbling forward, a certifier of masons who have been pre-approved to work on value added products, such as fast setting and high strength concrete, that work to a high specification.

Perhaps the company would need be involved in elements of the construction design to point out where and how it's high specification value add products could be integrated into the construction process. This was just one days site visit and innovation workshop, which would need to be replicated multiple times for different kinds of construction projects, world regions and specific product segments. In order to complete its transformation from a products to solutions company, they would have to launch a campaign of doing this research and strategy development activity repeatedly and assembling all elements of data that come from it.