

# Leveraging Customer Connection To Drive Innovation: Process and People

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# **SNAP-ON VALUE CREATION**

**Principles and Processes We Apply To Create Value**

**Safety**

**Quality**

**Customer Connection**

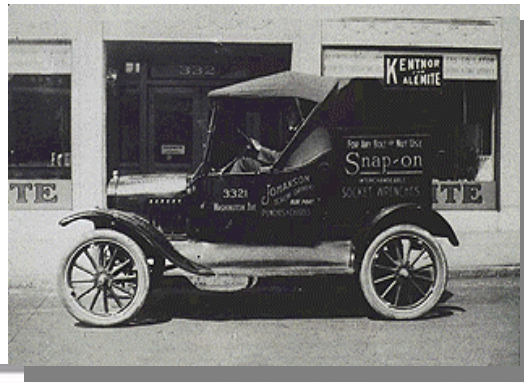
**Innovation – create a culture of fearless innovation**

**Rapid Continuous Improvement**

# Snap-on

## A Leader From the Start in Meeting Customer's Needs

- Innovative product idea gave company its start in 1920 (sockets) “ Five does the work of 50”
- Pioneered direct-to-mechanic sales and financing
- Super premium tools for professional tool users
- Still driving growth through innovation today... Launched Innovation Works (Innovation Center) in 2009.



# Snap-on Customers

## Transportation

### Technicians

- Automotive
- Heavy Duty Truck
- Collision/Body Shops
- Power Sports
- Aviation
- Agriculture
- Construction

### Shop Owners and Managers

- Independents
- National Chains
- OE Dealerships

## Critical Industries

### Critical Industries

- Military
- Aerospace
- Mining
- Oil & Gas
- Power Generation
- Rail
- Trades

### Product Categories

- Hand Tools
- Power Tools
- Torque
- Tool Storage
- Diagnostics
- Small shop equipment

### Product Categories

- Shop Equipment
- Repair Information
- Business Management software
- Electronic Parts Catalogs
- Financial Analysis Software
- Estimating Software

### Product Categories

- Torque
- Hand Tools
- Power Tools
- Tool Control
- Tool Storage
- Band saw blades

# Snap-on®

A variety of global brands, serving a broad range of customers





# User Driven Innovation

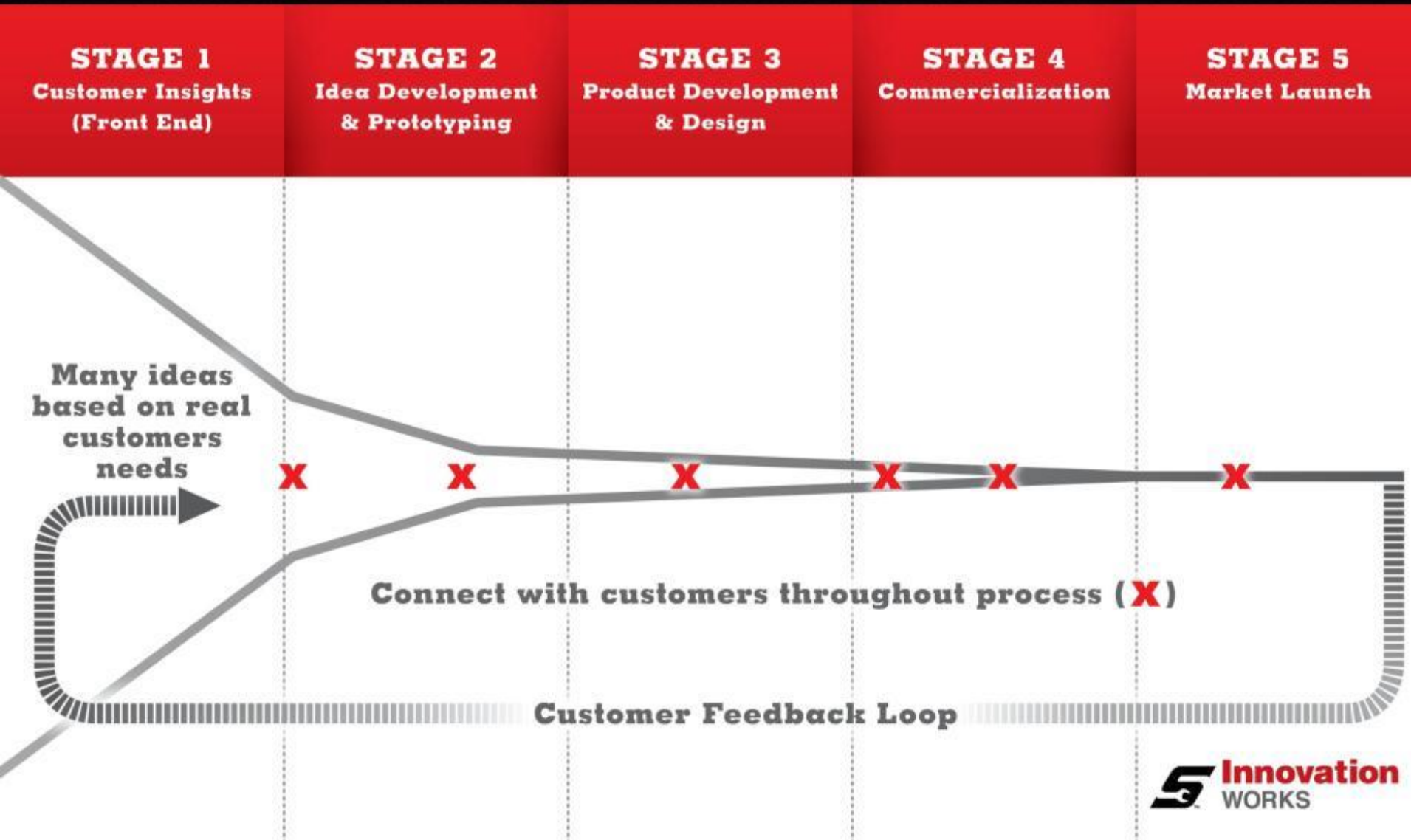
- End-users are at the center of everything we do
- Needs, behaviors, beliefs, usability, ergonomics and aesthetics all help drive design
- Innovative design can be applied to anything (beyond products to include experiences, processes, services, etc.)
- Experiment! Leverage a wide range of prototypes so you can fail small, fail early and fail fast.
- Involve users throughout the innovation process and expose them to early prototypes for feedback

# Driving Innovation Through Customer Connection

- 1) **Have a Process but stay flexible**
- 2) Create a Diverse Innovation Team
- 3) Be Able to Tell a Great Story
- 4) Be Customer Centric – Listen and Observe
- 5) Have a High Level of Empathy
- 6) Get Out and Explore
- 7) Have a Learning Agenda

# INNOVATION PROCESS

Customer Driven



# Customer Connection: Simplified Process

## Define your sandbox

*(where do you want to innovate? Who are your users - do you want to observe/talk to/learn from)*



## Connect with Customers (end users)

*(Observe, Listen, Empathize)*



## Create the Customer Insights (AHA's)



## Ideate and Prototype



## Evaluate ideas and prototypes with customer

# Defining Your Innovation Sandbox

## Medical Device Manufacturing: Lindstrom Precision Cutting Pliers



Target™ Detachable Coil and  
TetraForm™ Occlusive Balloon Catheter  
Image courtesy of Stryker Neurovascular



# Driving Innovation Through Customer Connection

## 2) Create a Diverse Innovation Team

# CREATE A DIVERSE INNOVATION TEAM

- Leverage individuals across the organization (not just those working in innovation!)
- Key Traits:
  - Deep expertise ... in something
  - Extremely curious
  - High level of empathy – “other people matter”
  - Creative – creative/innovative mind set
  - Can focus on the moment (mindful)
  - Risk-takers – sense of agency/personal control
  - Ability to synthesize complicated information
  - Story tellers
  - Life-long Learners – Learning Agenda
  - Comfortable with ambiguity
  - Reasonable level of humility and diplomacy

# Driving Innovation Through Customer Connection

## Internal Resistance (major block)

- “I know more than the customer” – “I need to educate them” **Let go of your Ego!**
- “I am too busy” **Collaboration, Customer Connection and Innovation are part of each associates performance goals**
- Nervous/uncomfortable with customer interactions. **We provide training and help lead the interviews.**
- Checking e-mail, doing conference calls, etc during customer connection trips. **Be in the moment**
- “This is too much work”. **The results have proven extremely valuable in driving top line growth**

# Romania: Wheel Service Equipment



# Epiq Tool Storage



**Snap-on**

## 3) Be Able to Tell a Great Story

# Secrets of Great Story Telling

- **Get out and do things!** *Very few great stories come from sitting at your desk.*
- **Observe! Pay Attention!** *You have to see interesting events happen to have something interesting to talk about.*
- **Have Empathy!** *Stories are much better when you empathize with the main characters. What is the insight?*
- **Keep it Simple! Keep it Short!** *Forget about the extraneous details that are not pertinent to the tale. No Blue Books!*
- **Have a Punch Line!** *What is the so what? In the world of business and innovation, what is the implication?*

# 100 Calorie Packs



## 4) Be Customer Centric: Focus on the End-User

- **Listen** – what are users really telling you?
- **Observe** – what do others not see?
- Ask great questions (but Listen!)
- This is about them – it is not about you
- Take action that reflects what your customer want

# Tropicana Packaging



What defines Fresh?



## 5) Have Empathy

- Walk a mile in the shoes of your customer
- Make it a multi-sensory experience
- Listen and Observe
- Keep an open mind: other people matter

# Heavy Duty: Agriculture



# Heavy Duty: Agriculture



## 6) Get Out and Explore

- Take Risk
- Be uncomfortable
- Be in the moment: mindful

# Wind Tower Hatch



# Wind Tower Hatch



# Wind Tower Hatch



## 7) Have a Learning Agenda

- Create a diverse innovation team
- Be a life-long learner
- Foster Curiosity

# Young Technicians: Extreme Faceshields



**AND NEVER  
FORGET THE  
POWER OF THE  
BRAND!**

# Brand: Tattoos



# Brand: Tattoos



# Brand: Tattoos

