Want to Know What Your Customers Really Think? Try Working Side by Side With Them to Solve Problems.



A customer-centric approach has always been a fundamental strategy for business. However, lately it seems to have become more of an idyllic vision than a reality.

Technology allows us to reach customers across the globe. But, it has simultaneously driven us further apart. Whereas businesses used to be in tune with their customers' every need, many corporations today have gained a reputation for being both out of touch with their customers, and slow to innovate.

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Important Metric

To solve this problem, various approaches have been proposed to put customers first. Lean startup method creator Eric Ries says in his book *The Lean Startup*, “We must learn what customers really want, not what they say they want or what we think they should want.” Others have suggested design thinking, design sprints and Agile development based on the same underlying principles.

To confront this challenge head on, our team at Microsoft took a different approach that we call “open hacks.” Under this model, we send our own developers to work side by side with our customers to build technology that solves their biggest problems together. And in doing so, it has transformed the way we do business entirely.

Receiving real-time feedback, and providing real-time solutions

One of the primary benefits of working in immediate proximity to our customers is the real-time, face-to-face feedback that we receive. By sharing a physical presence with our customers, we’re able to learn exactly what their pain points are and develop solutions to both solve their problems and improve the quality of our own product.

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As the pioneering customer service research conducted by John Goodman through TARP shows, only one out of 26 unhappy customers complain. Therefore, most businesses remain unaware of flaws in their product and mistakenly view the absence of feedback as a sign of satisfaction. As a result, they also miss out on the opportunity to learn from their customers and build the most effective products possible.

Moreover, the odds are that if one customer is having a bad

experience, there are at least a dozen more with the same problem. By gleaning such valuable insight, these learnings can be applied to make the lives of all customers far easier.

Improving customer experience, after all, is a top priority for companies today. In fact, the 2017 Digital Trends report conducted by Econsultancy and Adobe found that over one fifth (22 percent) of client-side respondents ranked "optimizing the customer experience" as the biggest opportunity for 2017.

Customers are demanding it, too. B2B companies have traditionally relied on their products as the key differentiator between them and their competitors. However, with waves of startups entering the market with innovative and disruptive alternatives, slow-moving corporations have had to keep up and differentiate themselves in other ways.

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For us, that is one of the goals and benefits of open hacks. We're able to offer an unprecedented level of customer experience – and to improve our product – to remain relevant to our customers and competitive with the latest innovations. We've found this type of real-time feedback and solutions to be key for businesses moving forward.

Taking an open-minded approach to open source development

In gaining more insight into our customers' mentalities through open hacks, we've also learned the importance of adapting to their style of working. Today, that means embracing open source solutions.

A 2016 survey conducted by GitLab found that open source tools have become an integral part of developer life. In fact, results showed that 98 percent of developers use open source tools at work, with 56 percent revealing that more than half

of their development tools were open source. Moreover, nearly one-fifth of respondents even claimed to rely on open source tools entirely.

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“Software development is rapidly changing and as this survey demonstrates, there is no ‘one tool fits all’ for modern developers as they adapt the way they work,” said Sid Sijbrandij, CEO and co-founder of GitLab, in a statement. “While process-driven development techniques have been successful in the past, developers are searching for a more natural evolution of software development that fosters collaboration and information sharing across the life cycle of a project.”

With open hacks, we’ve come to understand the importance of open source procures, and have adapted to use the technology that our customers are most comfortable working with. In doing so, it has reinforced the idea that product companies need not provide every solution, but instead, make it easy for their products to integrate with outside solutions as well.

B2C companies have already done a great job of this by offering their APIs to developers to build solutions that work on top of their own products. Salesforce, for example, has succeeded in creating an environment where thousands of third-party apps can plug into it for seamless integration of customers’ preferred products.

Now it’s time for B2B companies to do the same. By embracing the same mentality and adopting open source solutions, we have been able to bring more value to our customers and provide a higher quality service at the same time.

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Fostering an environment of innovation and opportunity

Ultimately, open source solutions give developers the opportunity to be more creative and free in their approach to problem-solving. Therefore, by putting our own developers side by side with our customers' developers and encouraging the use of open source solutions, we've been able to foster a dynamic environment for mutual innovation.

Working together, open hack developers participate in joint learning opportunities with the customers and share knowledge that brings innovative solutions to both parties. In our experience, we have seen a number of new ideas spin out of this collaboration that have gone on to benefit our own products and the products of our customers alike.

James Trott, senior software engineering manager at Microsoft, says "Open hacks are the culmination of a huge amount of work to use our technical expertise to engage deeply with, and learn from our customers. By directly engaging with them in these open hacks, we're able to truly understand their needs, get a large amount of high quality feedback first-hand, and really understand the patterns that influence the next generation of Microsoft products and services."

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But, the innovation and opportunity that this side-by-side collaboration brings is not limited to large global corporations. At the end of the day, a deep understanding of customers' needs is the cornerstone of any successful business – regardless of its size. For startups, approaches like the lean startup methodology, design sprints and the infamous "pivot" were born out of the same idea: reacting to the needs of the customer. Open hacks is a new means to the same end.

Ultimately, being physically present is the best way to gain

this deep understanding of customers. By working together in a shared physical space during open hacks, startups and corporations no longer need to limit their interactions to corporate innovation programs to foster such innovation and opportunity. After all, while corporate accelerators are increasingly in number and popularity, according to a report from renowned accelerator program 500 Startups, this type of cooperation isn't always successful.

Using the open hack method, startups and corporations – and companies of any size in between – have access to an effective alternative to spur a greater level of creativity and success. Startups, in particular, can use this method to band together, share their knowledge, improve their products and build their local startup ecosystems at the same time.

The added benefit of this approach is that, by building solutions together, businesses can enable the cross-pollination of ideas, and open the door to the possibility of spinning off new products, partnerships or startups in the process.

While technology offers the incredible opportunity to reach customers across the globe, it also necessitates businesses to expand their efforts to be physically present for them. For us, we've learned that having a physical presence and collaborating is really the only way to build the solutions that our customers really need and desire. And in the process, both parties have a lot to gain. This approach need not be limited to software development either. Any business can benefit from closer interactions with those they serve, helping build long-term relationships and keeping customers coming back for more.

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