

The Cooperative Group

Co-creating a new business for the Cooperative Group March 2008 – August 2008

The Co-operative Group is a £9 billion a year business, with a raft of consumer brands such as The Co-op, Somerfield and Smile. Alan Shepherd, the director of New Business Development for the Co-operative, was tasked with the objective of launching a brand new business for the group in 12-18 months.

Whilst it was certain that this new business had to fulfill a set of stringent criteria (ROI, brand fit and execution complexity) the Co-operative had no clear idea of what this new business should be.

Objectives

The Co-operative group contracted Promise to help them:

- Come up with a raft of customer centric new business ideas
- Develop in detail the 6-7 most relevant new business propositions
- Aid in creating a business plan for the one winning business to be signed off at board level

Strategy, tactics and skills

In order to solve this challenge Promise Communities put together the Co-operative Innovation Board: a private online collaboration site populated with a handpicked group of consumers who worked together for a period of five months to invent and design a new business for The Cooperative.

Our sample consisted of 500 nationally representative consumers. This group was supplemented by a sub group of “creatives”: 60 Cambridge, Oxford and LSE students who were part of the entrepreneurship society, 20 people working in media and advertising, 4 psychologists and several consumer trend spotters from springwise.com.

Using our New Business Development process we worked with this audience over a five month period to help The Co-operative invent, design and refine a new business for The Co-operative. The 5 key stages to our process:

1. **Immersion:** A deep analysis of unmet consumer needs, gaps in the market and The Cooperative’s market strengths.
2. **Ideation:** This phase focused on generating hundreds of new business ideas together with consumers on the Community. We used a variety of tools and activities to generate these ideas: ideation sessions, creative exercises, discussions, competitions, and live online workshops.
3. **Filtration:** Having generated over 200 ideas we moved into filtration. Here we used rigorous quantitative and qualitative data from the community to measure the potential of the business against our key criteria: potential profitability and brand fit. Working collaboratively with the client we narrowed the 200 ideas to a potential 18.
4. **Development** The community then went on to develop the propositions of each of the 18 winning ideas separately. As the ideas were developed we were able to drop the less potent ones.
5. **Prototyping** Having found the three new businesses we were interested in, we now needed to develop them in detail. We worked with the community to build the detailed proposition: positioning, marketing ideas, potential revenue streams, look and feel, naming and even operational ideas.

Budget

Confidential

Results

Our endeavour generated over 18 business ideas which now populate the pipeline of The Cooperative Group. But most importantly we helped generate a business plan which was approved and signed off by the board, in under five months. We are currently not allowed to share the nature of the idea, however, through using online co-creation we managed to design a new business proposition that had the customer’s voice genuinely hardwired to every aspect of the business. Furthermore, the co-creation approach ensured we had senior management buy-in and enthusiasm at every stage of the process.