**MIX Innovation Contest**

**O.co Story**

**Title**

“Turning on the Spigit of Ideas at O.co”

**Summary**

Utilizing a robust set of idea management software solutions, O.co also known as Overstock.com, has created open and engaging communities that allow collaboration and innovation by all stakeholders across its entire organization. The new and novel method of engaging associates, partners, and customers has added significant value to the business, and has become an integral component in the company’s competitive strategy.

**Context**

O.co, also known as Overstock.com, is an online retailer offering high-quality, brand-name merchandise at discount prices. With over 1,500 employees at O.co, the global online retail leader is always looking for ways to tap the creative thought of its employees, partners, and customers in order to manage new, innovative ideas around cost-savings, revenue generation, process improvements, and customer service.

**Triggers**

We’ve all read the Dilbert comics where the good ideas remain with the company workers and are stifled by the oblivious nature of the pointy-haired manager. Our company leadership realizes that these fictitious and humorous illustrations most likely represent a very real scenario in many organizations, and they try to do all that they can to avoid becoming a company full of pointy-haired managers.

We believe that the success of an organization like O.co is largely determined by its ability to enable its constituents to be creative. The executive team knows that its members don’t have all of the good ideas, and in late 2009, it searched for a method of tapping into one of O.co’s most valuable assets – the intellect of our employees.

Many businesses have a talented and creative workforce, but lack an effective way to capture their ideas and turn them into actionable projects. In an industry where there are new competitors popping up every day, we wanted to find a way to leverage the collective intelligence of O.co employees to create new ways to improve our business. We wanted to create a central place where associates could propose and collaborate on each other’s ideas; a place to share our expertise; a place where they knew that their voices would be heard and their thoughts considered.

**Key Innovations and Timeline**

In early 2010, O.co began using an innovation management software solution provided by Spigit. The powerful solution allows for a location where ideas can be created, shared, discussed, and evaluated across the entire enterprise. The software provides an intuitive platform to manage internal innovation by automating the graduation of ideas through stage thresholds based on social feedback.

Essentially, associates in the company can submit any idea, big or small, to improve the business. All associates are invited to create new value in the organization by expressing their ideas through this unique channel. It is no longer a daunting task for management to filter though ideas and distinguish the good from the bad. The interesting ideas emerge automatically based on the crowd’s feedback in the community.



**Benefits**

The internal innovation community hosted by Spigit has been a more comprehensive solution than we could have imagined. It has managed ideas related to saving the company money, increasing sales, improving employee and supplier satisfaction, and enhancing the customer experience.

In addition to experiencing a visible boost in employee morale, O.co’s innovation community has allowed for a significant increase in cross-functional collaboration throughout the organization. With almost 20 ideas pushed through the system per week, we are breaking down the silos traditionally seen within many organizations and allowing for great ideas that would otherwise be lost.

For example, in the past, high-level IT managers allocating technical resources were occasionally unaware of simple adjustments that could be made to improve the customer experience. Now, through our innovation community, when agents in our Customer Care department note these small adjustments, the ideas for improvement are immediately visible to management and can be prioritized accordingly. The open nature of the social tool creates better awareness of opportunities to improve our business.

**Moving Forward**

After such success with its enterprise solution, O.co has decided to move forward with extending similar products to its partners and customers. Although we constantly maintain high levels of interaction with our partners and customers, we want to be doing more to engage these stakeholders on a deeper level. Spigit provides O.co with software to engage these constituents as well.

Using another tool from Spigit, Spigit’s Facebook social innovation solution, O.co is able to execute marketing programs with purpose, enabling customers to voice their insights and develop ideas that create loyalty and brand champions. We frequently use social media to communicate with our customer base, and the Facebook innovation application exemplifies our unmistakably positive relationship with consumers. The customer-facing app allows us to engage our customers in an innovation process and, more importantly, gain a better understanding of how we may be able to better serve them.

Finally, we are in the process of building an innovation community for our partners. With this tool, we will be able to step outside of the pull-approach of traditional program management and instead, allow our partners to push us information and start meaningful conversations. We will be able to proceed with confidence knowing that initiatives borne of this supplier-facing innovation platform will have endured a degree of scrutiny by an informed audience – our partners.

Prior to using the robust collaboration tools, we had no way to harness the ideas and creative thinking that were happening right in front of us. Not only have these communities provided an effective way for us to manage innovation and improve our operations, they have magnified our culture of openness and enhanced the ways in which we engage with our associates, partners and customers.

You won’t find an organization full of pointy-haired managers at O.co.