FROM PRODUCT TO SERVICE PROVIDER WITH A WINNING IoT EXPERIENCE

Henrik Mathiassen, co-founder at design-people

Morten Ammentorp Nielsen, CEO at Hounö
founded in 2005

A passionate bunch of design researchers, customer experience experts, UX- industrial- digital- and brand designers

30+ international design awards

collaborative culture

design:people
A people-centered product & digital experience agency
It is Tuesday afternoon and Nicole has just left work. While rushing to her car she thinks of what to serve for dinner tonight. With a million things on her mind, she opens the Family Helper app.

At home Nicole puts the groceries in place while helping Amy to a glass of water. Nicole feels drained of energy, but Charlie promptly wants to know where unicorns live. And now she has to cook dinner..

The app suggests different kid-friendly meals for her, which are simple and quick to cook. She picks spaghetti Bolognese and the app creates a grocery list for her.

The Family Helper already knows that she has purchased groceries for the spaghetti Bolognese recipe; and suggests to start cooking that meal. Nicole is guided by simple steps, which help her relax a bit.

The app asks her if she would like to double the batch, as the meal is well suited for freezing/more days. Nice, then I have tomorrow covered as well, she thinks. The grocery list is updated and Nicole heads to pick up Charlie and Amy.

Nicole quickly chops the onions, garlic and carrots in the big bowl. The display shows next step: simmer for 6 minutes. This means that she is free to set the table while the machines cooks for her.

In the supermarket Nicole checks her grocery list on her phone regularly – all ingredients are grouped so it is easy for her to pick up the goods while keeping track of the children.

6 minutes later Nicole hears the beep from the kitchen. The sound indicates that the machine is done and needs her attention for the next step.

We craft people-centered product & experience design that makes your business and products relevant for today and tomorrow.
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Deep insights into needs and behaviour is the foundation for everything we do.
THE 3 KEY ELEMENTS OF A WINNING CONNECTED EXPERIENCE
HOUNÖ – a proud manufacturer of combi ovens

We are known for creating innovative oven solutions.

We strive to constantly meet customer needs and drive future growth.
An award-winning solution

Let’s Cook Cloud Solution on YouTube

USA, February 2017

UK, June 2017

Germany, September 2017

Australia, September 2017

Italy, October 2017

Germany, November 2018

Let’s bring people to the table...
HOUNÖ – known for providing the world’s best cooking and baking experience
In order to implement the strategy, HOUNÖ must have certain unique characteristics, abilities and competencies as an organization. We call them capabilities and they must be present across all layers of the company - from the individual employee’s skills, knowledge and behavior to the organization’s structure, processes and systems.

As an experience provider, HOUNÖ must have the following capabilities: The great customer experience, the HOUNÖ Team and Online universe.

As an innovator, HOUNÖ must have the following capabilities: Innovation Network, Digitalization and Internet of Things as well as Product Architecture.

Let’s bring people to the table...
Innovation Network

Let's bring people to the table...
We embrace the principles of collaborative innovation

Closed Innovation Principles

• The smart people in the field work for us.
• To profit from R&D, we must discover it, develop it, and ship it ourselves.
• If we discover it ourselves, we will get it to the market first.
• The company that gets an innovation to the market first will win.
• If we create the most and the best ideas in the industry, we will win.
• We should control our intellectual property (IP) so that our competitors don’t profit from our ideas.

Open Innovation Principles

• Not all the smart people work for us, so we must find and tap into the knowledge and expertise of bright individuals outside our company.
• External R&D can create significant value; internal R&D is needed to claim some portion of that value.
• We don’t have to originate the research to profit from it.
• Building a better business model is better than getting to the market first.
• If we make the best use of internal and external ideas, we will win.
• We should profit from others’ use of our IP, and we should buy others’ IP, whenever it advances our business model.
How we organize ourselves

**Outside**

- Place a team in Berlin or Silicon Valley

**How we do it**

- Put a fast running team in place with seconded resources from core
- Run experiments with customers
- Build digital capabilities in core, being able to scale

**Inside**

- Our CTO or CIO will transform us

Let’s bring people to the table...
Let’s bring people to the table...
THE CHALLENGE

To create a holistic cloud solution that could provide real value to multiple users of different professions, work flows and needs and thus make Hounö stay ahead of competition.
FROM STAKEHOLDER WORKSHOP TO QUICK PROTOTYPE FEEDBACK
Cloud solution potentials were mapped through the customer journeys of 9 selected profiles.
**WORK ROUTINES**  
Frederikshøj is a creative gourmet-restaurant. As sous-chef Martin had a scheduled workday. At 10 Martin arrived at work, from 10 to 17 he prepared food with the other chefs - to make sure everything is done, Martin worked with a so called “Mise en place” a list containing all the daily tasks.

Time demanding procedures were prioritised to obtain the best possible result. Depending on what had been prepared the day before, Martin would also do Ad-hoc tasks. When preparing and cooking, he used recipes to ensure a consistent level of quality. He’s also responsible for the works of staff.

For the a la carte servings in the evening Martin would be in the kitchen preparing hot dishes, snacks and desserts with high precision. Detail oriented work with low (guest) tolerance.

**NEEDS**
- Control of running processes
- Ordering ovens supplies

**RECIPIES - DEVELOPMENT AND SHARING**
Martin searches on Google for basic recipes or consult with other chefs from the national chef team.

In general chefs can be reluctant towards sharing their recipes with others.

**TECHNOLOGY**
Martin spends all time in the kitchen and doesn’t (have the time to) use devices doing work.

He tried with a small computer, but found it too slow and inconvenient.
<table>
<thead>
<tr>
<th>Develop</th>
<th>Cook</th>
<th>Distribute</th>
<th>Test</th>
<th>Approve</th>
</tr>
</thead>
<tbody>
<tr>
<td>THE CULINARY TEAM DEVELOPS A SPRING MENU AT HQ</td>
<td>THE TEAM REFINES THE RECIPE PROGRAM IN THE TEST LAB</td>
<td>THE TEAM MAKES 3 TEST VERSIONS</td>
<td>TEST RESTAURANTS RUN PROGRAMS AND SELECTS FAVOURITE</td>
<td>CULINARY TEAM APPROVES RECIPE FOR THE SPRING SEASON</td>
</tr>
<tr>
<td>• Develop menu</td>
<td>• Run program test</td>
<td>• Share 3 recipes with the test restaurants</td>
<td>• Run program</td>
<td>• Delete rejected program versions</td>
</tr>
<tr>
<td></td>
<td>• Super-user access to Let's Cook</td>
<td></td>
<td>• Send test result to HQ</td>
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<tr>
<td></td>
<td>• Create program steps for recipe</td>
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7. Concept development - wireframes
IMPROVING THE CUSTOMER JOURNEY

- Interviewing, observing, communicating...
- understanding, ideating, optimizing...
Domains of HOUNÖ’s digital transformation

- **Customer experience/business activities**
  - Added value for customer
  - Engage customers
  - Improved customer experience (better services)
  - Reduce costs
  - Increase loyalty
  - Grow brand image
  - Drive business

- **Operational processes**

- **Business model**
  - Subscription
  - Direct sales consumables
  - Service
  - End customer ownership
  - Pay per use

### Market
- ERP-CAD-PLM-PDM-CRM-BI-KM-Factory 4.0
  (Cost and efficiency drive)

Let’s bring people to the table...
EVOLUTION OF SMART, CONNECTED PRODUCTS

There is an exponential growth in value opportunities for manufacturers as products become smart and connected.

Stage 1: Implemented
Let’s Cook Cloud Solution

Stage 2: Implementation
Middleby Connect

Stage 3: Conceptualization
“Cloud X” ecosystem

Let’s bring people to the table...
WHAT'S NEXT?
MIDDLEBY CONNECT

- Ongoing development
- Do, learn and improve
- Keep up with technology
What is your digital business model?

**MULTICHANNEL BUSINESS**
- "Own" customer relationship
- Provides seamless experience across value chain
- Meet customer life-event needs
- Customer choose channel

*Example:* Banks, Insurance companies

**SUPPLIERS**
- Sell offerings to distributors
- Subject to commodization
- Potential for loss of power

*Example:* Washing machine manufacturers

**MODULAR PRODUCTS**
- Plug-and-play offerings
- Able to adapt to any system
- Constant innovative

*Example:* PayPal

**ECOSYSTEM DRIVERS**
- Become the destination in your space
- Add complementary and competitor products
- Ensure great customer experience
- Customer data from all interactions
- Match customer needs with providers

*Example:* Amazon
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HAVE YOU CONSIDERED...

• How to create value for your stakeholders?
  Explore who they are, how they work or live and help them to succeed with it...

• Is your product user-friendly?
  Don’t turn the UI into guesswork or a manual depending solution...

• What is appealing?
  Look and feel, sound, feedback, tone of voice a.o. are important factors in the way we perceive a product...

• Mapping your customer journey?
  Explore it, maintain it, update it and make sure you level with your stakeholders...

• Stick to your core business!
  Team up with those who can help you with all the rest...
...and make it a **WINNING IoT EXPERIENCE**
Thank you for your attention...
Meet us out in the hallway and at our agency on the Friday bike tour...

FRIDAY MORNING BIKE TOUR OF THE WORLD’S SMALLEST BIG CITY – IOT IN PRACTICE
21-06-2019

When in Aarhus we want to show you why Aarhus is among the top Smart Cities in the world - and we will use the same kind of transportation as the smart citizens of Aarhus. More than one third uses their bike for going to work.
You are welcome to connect...

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