

MASS CUSTOMIZATION & OPEN INNOVATION NEWS

Notes and ideas on mass customization, personalization, customer integration, and open innovation – strategies to co-create value between manufactures and customers. Edited by Frank T. Piller.

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This newsletter documents the last months' postings in Frank Piller's blog on mass customization and open innovation, <http://mass-customization.blogs.com>. This is the **direct web link** where all new contributions will be published first. Once I discover an interesting topic, I post it there. **Subscribe to the blog's RSS newsfeed to get access to all news immediately.**

The **Permalink at the end of each article** in this document is the link where you find the **full text of each post** on the web. Go also there to follow **all links and access more material**. Have fun! *Frank Piller*

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I am coming to your desktop: Live Webinar on Mass Customization Implementation, Trends, and Success Factors on August 1, 10-11am EST

**Live Webinar
with Frank Piller:**
Mass Customization
Trends & Success.
August 1, 2007.
Live in your office.
Enter code aix for
10% discount



Together with **Pure Insights**, I am offering a **live web-based seminar on mass customization and designing winning configuration systems**. This may be a good offer for corporate readers that want to get a **convenient introduction into mass customization thinking** and product configuration strategies.

Date: 01 Aug 2007, 10:00-11:00am EST / 15:00-16:00 GMT
Location: Your Office

Based on our own study of more than 250 mass customizers in consumer and industrial markets, the webinar outlines the building blocks of success full mass customization strategies and provides ideas how to avoid the pitfalls of implementing mass customization systems or so called toolkits for customer co-design. Rather than commenting extensively on technical details, the session will provide hands-on recommendations on the strategic positioning and implementation of these central tool of each mass cus-

tomization strategy.

To register and for a more detailed agenda, please go to <http://www.pure-insight.com/webinars/mass-customization-customer-value-creation> and use **promotional code aix** (case sensitive!) when registering to get a 10% discount.

Read the full announcement: http://mass-customization.blogs.com/mass_customization_open_i/2007/07/i-am-coming-to-.html

The 2007 World Conference on Mass Customization & Personalization (MCPC 2007)
Boston and Montreal, 7-12 Oct 2007

MCPC 2007 -- Latest Program Information -- Registration Is Now Open -- List of Speakers of Montreal Business Seminar



MCPC 2007
The 2007 World Conference on Mass Customization & Personalization (MCP)
October 7-10, 2007 Innovation and Research Conference, MIT Cambridge/Boston
October 11-12, 2007 Business Seminar, HEC Montreal

The **World Conference on Mass Customization & Personalization (MCPC)** is the primary event to discuss the management and implementation of MCP strategies. Bridging academic research and management practice, the conference provides an interactive and interdisciplinary platform to share ideas about mass customization strategies and to discuss the latest technologies and enablers.

In October 2007, the MCPC will take part in two parts:

- **Part 1, Oct 7-10, 2007: MCP Research & Innovation Conference, hosted by the MIT Media Lab, Massachusetts Institute of Technology**, in Cambridge/Boston (USA) with an interdisciplinary focus on the new advancements in the field.
- **Part 2, Oct 11-12, 2007: MCP Business Seminar, hosted by HEC (Haute Études Commerciales) Business School in Montreal (Canada)**, with a focus on applying mass customization & personalization in a retail setting.

Our program committee selected from the submissions of more than 400 authors about **150 papers and proposals for presentation at the conference**. Besides the latest research on mass customization, personalization, and related topics like user innovation, we are very glad that also **a large number of managers from leading companies will share their success stories and challenges from running a MCP business**.

The **business seminar on Oct. 11 in Montreal** -- a one-day focused event of high-profile invited management presentations -- gets in great shape in the moment. Montreal is an easy 4-5 hour drive away from Boston; and the trip though the New England Indian Summer should be a great experience at this time.

Speakers at the Montreal event will include:

- Sean Belka, Director Online Strategies, Fidelity Investments
- Chris Shimojima, Director E-Commerce, Nike Inc.
- Philip Jacob, CEO, Whirlycott
- Marybeth Luber, Archetype Solutions
- Paul Trevithick, CEO and Co-Founder. Parity Inc.
- Lukasz Gadowski, Founder and CEO, Spreadshirt
- Christopher Mahoney, Lindenlab (Second Life)
- Sean Ryan, CEO, Meez.com
- Paul C. Miller, Director Direct Commerce, Sears Holding
- Frank Piller, RWTH Aachen & Mit Smart Customization Group
- Louise Guay, Founder & President, My Virtual Model, Inc.
- John Palfrey, Harvard University and Director of the Berkman Center for Internet & Society

Conference registration is now <http://www.mcpc2007.com/registration.htm>.

Full posting and more information: http://mass-customization.blogs.com/mass_customization_open_i/2007/07/mcpc-2007---la.html

MCPC 2007 Sponsorship and MIT Smart Customization Group

If your organization, company, or consultancy is interested in supporting the MCPC 2007 conference at MIT and exhibit your services, products, or MC offerings during the conference, please contact Betty Lou McClanahan (bl@media.mit.edu) who will discuss any possible arrangement with you.

Also, for corporations who want to continue to work with MIT after the conference, the **MIT Smart Customization Group**, part of the MIT Design Lab, is a great initiative to join. You find more information on this group here: <http://design.mit.edu/smartcustomization/>

There will be a special information session on the MIT Smart Customization Group during the conference, please contact Betty Lou (bl@media.mit.edu) to discuss any options of working with MIT students and researchers on mass customization.

IN DEUTSCH / NEWS FOR THE GERMAN MC&OI COMMUNITY

(Continue in English below!)

Job Opening: Wissenschaftl. Mitarbeiter/in oder Post-Doktorand/in für RWTH Aachen gesucht

Mass Customization und Open Innovation nicht nur als Hobby oder Interessensgebiet, sondern als Beruf?

Am meinem Lehrstuhl für Betriebswirtschaftslehre, insb. Technologie- und Innovationsmanagement der RWTH Aachen (<http://tim.rwth-aachen.de>) ist eine Stelle für eine/n Wissenschaftliche/r Mitarbeiter/in bzw. Post-Doktorand/in zu vergeben.

Zwingend erwartet wird für diese Stelle ein Studienabschluss mit Prädikatsexamen in den Wirtschaftswissenschaften oder im Wirtschaftsingenieurwesen mit Vorkenntnissen im Fachgebiet Technologie- und Innovationsmanagement sowie fundiertem Vorwissen im empirischen Arbeiten.

Mehr Informationen und vollständige Ausschreibung:

http://www.tim.rwth-aachen.de/download/stellen/RWTH-TIM_Stelleanzeige_Juli2007.pdf

Mass Customization and Design: A one-day seminar on mass customization basics and industrial design at Zeche Zollverein School of Design & Management, 27. Sept. 2007

Make it your product: The present and future of mass customization

Das Seminar gibt einen Überblick und Ausblick über Mass-Customization-Strategien: Wie können Benutzer und Kunden in den Designprozess und die Produktionskette mit eingebunden werden? Welche Auswirkung hat Mass Customization auf die Marke, auf den Brand? Kann man mit Mass Customization Geld verdienen? Ist Mass Customization die Strategie der Zukunft?

Referenten sind Frank Piller, RWTH Aachen, und Anrdej Kupetz, Präsident Zollverein School of Management and Design und Fachlicher Leiter Rat für Formgebung

Mehr Information: http://www.zollverein-school.de/website/executive_e/seminare/seminar_27_192/de/de_seminar_27_univer_1.php

Management-Lehrgang Innovation Management

Zusammen mit dem EuroForum-Verlag bieten wir ab Oktober 2007 einen **schriftlichen Management-Lehrgang „Innovationsmanagement“** an. Er gibt Hinweise für die Implementierung sinnvoller Innovationsstrukturen in Ihrem Unternehmen. Ausgewiesene Experten aus Wissenschaft und Praxis geben Tipps für das erfolgreiche Management des gesamten Innovationsprozesses, von Kreativitätstechniken zum Finden und Weiterentwickeln von Ideen über das Management des Entwicklungsprozesses bis hin zur erfolgreichen Vermarktung der Innovation.

Für Menschen mit Vorkenntnis ist dieser Kurs vielleicht etwas teuer, hier reicht m.E. das Lesen einiger aktueller Bücher zum Innovationsmanagement. Der Kurs ist vielmehr für alle Menschen konzipiert, die eine kompakte und dennoch fundierte Einführung in überschaubaren Lerneinheiten bekommen wollen.

Nähere Informationen: <http://www.euroforum.de/DATA/pdf/P6100264.pdf>

AN OVERVIEW OF SELECTED RECENT POSTINGS TO THE MC&OI BLOG

CATER - Mass Customization in the Automotive Industry: New European Project



CATER is a 3-year collaborative research project launched in September 2006 and supported by the European Commission aiming at **developing innovative ICT tools and methods for mass customization of vehicles as well as new approaches to automotive design principles**. The research consortium includes 14 major European and Asian organizations in the field ranging from vehicle manufacturers (VOLVO, FIAT), OEMs (IC:IDO, Imartis, etc.) to research centres and universities.

CATER is organizing its **first dissemination workshop on September 11, 2007 in Nice (France)** to present its first results as well as discuss the state-of-the-art in mass customization of vehicles. Speakers from the automotive industry will introduce their views in the workshop with regard to new design and vehicle customization principles while several first results of the CATER project will be presented.

More information: <http://www.cater-ist.org/index.php?p=workshop>.

Continue .. Full text article: http://mass-customization.blogs.com/mass_customization_open_i/2007/07/cater---mass-cu.html

Threadless in Numbers

Rob Walker reported in his 'Consumed' column in the New York Times Magazine on **Threadless**. He brings a nice analysis of the company and shares with us **a number of interesting numbers on Threadless**.

Continue .. Full text article: http://mass-customization.blogs.com/mass_customization_open_i/2007/07/threadless-in-n.html

Report on State of Mass Customization Implementation and Cost Drivers



Only 67% of BTO/ETO manufacturers know how much it costs to produce customized products, and 73% don't know the cost of engineering change orders. This is one of the results of a new [report on mass customization and build-to-order manufacturing](#), recently published by **Cincom Systems**. According to the report, **only 27% of companies have figured out the cost of engineering change orders**. But despite the lack of cost information, more than half of the survey respondents believe that they have the ability to charge a 10-25% or higher premium with a product customization strategy.

Continue .. Full text article: http://mass-customization.blogs.com/mass_customization_open_i/2007/07/report-on-state.html

Assignment Zero Interview on Mass Customization, Crowdsourcing, and the Demand for Change Management



Assignment Zero is a large project on crowdsourcing journalism. Inspired by the open-source movement, Assignment Zero is an attempt to bring journalists together with people in the public who can help cover a story. Several interviews form the core of this project. The community identified a few tens of people worldwide who contributed to crowdsourcing by either starting one of the projects or businesses utilizing this concept, or by thinking and writing about it. **I am very proud that I was identified by this community as one of those 50 persons who matter most**

in

crowdsourcing. The full interview can be found here:

http://zero.newassignment.net/filed/crowdsourcings_future_depends_change_management

Other great **Assignment Zero Interviews** on Crowdsourcing are with [Lawrence Lessing](#) on Creative Commons, [Howard Rheingold](#) on virtual communities, [Sydney Poore](#) aka FloNight, a Wikipedia super-contributor, and [Jimmy Wales](#), Wikipedia founder. [Khoi Vinh](#) on MicroStock Photography, [Alpheus Bingham](#), co-founder of Innocentive, [David Lionel](#), founder of Crowdspirit, and with [Eric von Hippel](#) and [Karim Lakhani](#) on User Innovation.

Continue .. Full text article: http://mass-customization.blogs.com/mass_customization_open_i/2007/06/assignment_zero.html

BMW's Mini Brand Launches Custom Roof Designer Online



From a mass customization point of view, a BMW Mini has rather limited customization offerings. While the configurator suggests plenty of choice options, they are rather limited, especially with regard to style customization like color combinations between body, roof, and interior. All choices seem to be perfectly balanced to deliver neatly tuned combinations fitting the Mini brand image as seen by its corporate parents.

But now, there is ultimate choice customers now can freely design the Mini's roof with their very own design. The roof is one of the signature design features of the Mini. It is often selected in a different color than the body. And now you not only can select from 15 or so standard colors, but really design your own.

Continue .. Full text article: http://mass-customization.blogs.com/mass_customization_open_i/2007/06/bmws_mini_brand.html

User Manufacturing and Crowdsourcing in New Zealand: How Ponoko enables creative users to create, manufacture, and sell digital products online



Ponoko is a user manufacturing platform based in Wellington, New Zealand, where anyone can click to make, buy and sell digital products. Users upload designs, Ponoko manufactures them for them using rapid manufacturing technology, and send the result to users. If they like and approve the result, users then can start to sell their designs (and products) to others using Ponoko's online shop and distribution system.

Continue .. Full text article: http://mass-customization.blogs.com/mass_customization_open_i/2007/06/user_manufactur.html

Recent Partnerships and Acquisitions Provide New Infrastructure For Launching Instant Mass Customization Offerings

A partnership by **DemandMade with Exclusive Pro** and the **acquisition of Confego by Zazzle** have created integrated mass customization fulfillment systems in the US that can be utilized easily to open a MC or personalization business. Leipzig, Germany, based **Spreadshirt** offers a similar integrated value chain for the custom apparel business, with a smaller solution space, but an even easier interface to create your own mass customization business.

Continue .. Full text article (three connected postings): http://mass-customization.blogs.com/mass_customization_open_i/2007/05/recent_partners.html

Interview: Klaus Moser on Mass Customization Strategies and How to Align Mass Customization with Corporate Strategy



The May MC&OI Interview is with Klaus Moser, a project leader at Boston Consulting Group (BCG) and a research affiliate of the TUM Research Center for Mass Customization & Customer Integration, Munich. He recently published a great study on mass customization strategies and competencies. His striking finding: Many firms do not have a dedicated mass customization strategy, but just use this approach to support other purposes – even if they think that their mass customization offering is profitable of its own.

Continue .. Full text article: http://mass-customization.blogs.com/mass_customization_open_i/2007/05/interview_klaus.html

Mymuesli Launched -- Create Custom Cereal Online

mymuesli Whenever I am asked what the next big trend in customization is, one of my answers always is food. And one example that I am always referring to is custom cereal. While the cereal shelf space is pretty impressive in many supermarkets, there still is demand for more choice. Three business school graduates from Germany have launched **Mymuesli**. After just two weeks in operation, they already run out of packaging (which they'd estimated would last at least 8 weeks). ...

Continue .. Full text article: http://mass-customization.blogs.com/mass_customization_open_i/2007/05/update_mymuesli.html

CNN on User Manufacturing and Fabling Your Products at Home



Dean Irvine from CNN Online reports in a recent article on a new project, **Fab@Home**, that wants to provide a machine that can make anything, even itself -- and this in the comfort of your home. What sounds like the dream of a science fiction author is a device developed at Cornell University. While the machine still is in its early stages of development, the article comments on the potential impact of such a machine. **This discussion fits into the vision of user manufacturing.**

Read the full CNN article here: <http://edition.cnn.com/2007/TECH/science/04/26/fs.fabmachine/>

Continue .. Full text article: http://mass-customization.blogs.com/mass_customization_open_i/2007/05/cnn_on_user_man.html

OTHER RECENT MC & OI POSTINGS

Automotive Customization 2.0: The MIT City Car project:
http://mass-customization.blogs.com/mass_customization_open_i/2007/02/automotive_cust.html

Pill Boxes 2.0: Vuru personalizes nutrition packaging:
http://mass-customization.blogs.com/mass_customization_open_i/2007/02/pill_boxes_20_v.html

The Consumer Decides: Nike Focuses Competitive Strategy on Customization and Creating Personal Consumer Experiences -- Data about the Nike Plus Personalization System:

http://mass-customization.blogs.com/mass_customization_open_i/2007/02/the_consumer_de.html

Nike is Trying Threadless' Crowdsourcing Model:

http://mass-customization.blogs.com/mass_customization_open_i/2007/02/nike_is_trying_.html

Special Issue on Mass Customization Manufacturing of IEEE Transactions Published:

http://mass-customization.blogs.com/mass_customization_open_i/2007/02/special_issue_o.html

Guest Article: Market Relevancy for 21st Century Manufacturers -- Connecting Your Customers to Your Enterprise: http://mass-customization.blogs.com/mass_customization_open_i/2007/04/guest_article_m.html

New Affiliation with RWTH Aachen TIM Group



Many of you may have noted this already. Since March 2007, I have a **new affiliation**. I accepted the offer of a **chair professorship in technology and innovation management** at **RWTH Aachen University**, a leading European institute of technology. I will work in RWTH's **technology and innovation management group**.

RWTH's school of business & economics, where my new office is placed, has a focus on value chain design and global supply chain management systems, fitting perfectly my interest in "interactive value creation" as a new form of industrial organization between firms and external entities, especially customers and users.

And of course there is no better place to do research on new product design and leading-edge technologies as within an organization that produces some of Europe's best engineers, computer scientists, and product developers.

Besides working at RWTH Aachen, I will keep an affiliation with MIT, supporting the **MIT Smart Customization Group**'s faculty at the MIT Design Lab.

Continue .. Full text article: http://mass-customization.blogs.com/mass_customization_open_i/2007/03/new_affiliation.html

STANDARDS



My German books on the topics of this newsletter



(1) Interaktive Wertschöpfung: Open Innovation, Individualisierung und neue Formen der Arbeitsteilung Unser neues Buch zum Thema dieses Blogs ist erschienen !!

Das Thema: Open Innovation, Social Commerce und Mass Customization sind aktuelle Strategien, bei denen die Kunden eine neue Rolle bekommen: Sie sind nicht mehr nur passive Konsumenten, sondern aktive Wertschöpfungspartner. Kunden gestalten heute Produkte oder Dienstleistungen aktiv mit und übernehmen teilweise sogar deren gesamte Entwicklung oder Herstellung.

Aus betriebswirtschaftlicher Sicht kommt es damit zu neuen Formen der Arbeitsteilung. Das Konzept "Interaktive Wertschöpfung" (IWS) diskutiert die daraus resultierenden Strategien und Prinzipien und stellt eine neue ökonomische Theorie vor, die die neuen Formen der Arbeitsteilung erklären soll.

Das Buch steht in weiten Auszügen kostenlos zum Download zur Verfügung (Open Access). Mehr Informationen auf einer eigenen Web-Site: www.open-innovation.com/iws

(2) Mass Customization Buch bei Gabler in 4. Auflage erschienen

Mein "blaues Buch", das Mass Customization aus einer wissenschaftlichen Perspektive betrachtet, ist nun in der **vierten, vollständig aktualisierten Auflage** erschienen. Vor allem die Fallstudienübersicht im Anhang und die Literatur wurden überarbeitet, aber auch z.B. die Definition von Mass Customization konkretisiert. Wenn Sie eine der früheren Auflagen schon haben, lohnt sich der Kauf eher nicht (angesichts des hohen Preises, den der Verlag fordert), ansonsten freue ich mich über den Kauf.

Einen Auszug aus dem Buch als Download hier (PDF von Vorwort, Inhaltsverzeichnis, Leseprobe).

(3) Neue Fallstudien zu Mass Customization beim Symposion Verlag erschienen



Während das vorangehend erwähnte Buch eher wissenschaftlich ist, habe ich zusammen mit meinem Co-Autor Christof Stotko in unserem **Buch "Neue Wege zum innovativen Produkt: Mass Customization und Kundenintegration"** eine eher praxisbezogene Herangehensweise gewählt. Dieses Buch behandelt auch ausführlich die Verbindung zwischen Mass Customization und Open Innovation (Mehr Infos zum Buch, das Ende 2003 erschienen ist). Eine Besonderheit dieses Buchs ist, dass sich **jeder Leser dieses selbst konfigurieren und individualisieren kann**. Dazu dient neben dem Grundtext vor allem ein ausführlicher Fallstudienanhang, geschrieben von verschiedenen Fachexperten. Dieser wurde nun um 10 neue Fallstudien ergänzt.

Die NEUEN Fallstudien im Überblick (**teilweise handelt es sich um Aktualisierungen**):

- My Personal Channel: Kundenindividuelle Fernsehangebote
- IKEA: Die individuelle Lösung für Ihre Küche
- InVIDO GmbH: Mass Customization in der Möbelindustrie
- Kfz-Versicherungen: Kann man Kundentarife individualisieren?
- Kreditkarten: Die eigene Wunschkarte konfigurieren
- Lands' End Custom: Hosen und Hemden maßgeschneidert
- Karstadt und Maile: Zwei Konzepte für Herrenmode nach Maß
- NIKEiD: Individuelles Design von Sportschuhen
- Dynamic Packaging: Mass Customization in der Reisebranche
- Linel: Mass Customization in der Wasseraufbereitungsbranche

Alle Fallbeispiele können Sie zum günstigen Preis zwischen 4 und 6 Euro direkt beim Verlag beziehen. Die Auswahl erleichtert Ihnen dabei unser Fallstudien-Konfigurator (einfach "alle Beiträge anzeigen" lassen, die neuen sind eindeutig gekennzeichnet). Dort bekommen Sie auch mehr Informationen zu den einzelnen Fallstudien. Natürlich können Sie sich auch einzelne Abschnitte des Grundtextes des Buchs einzeln als PDF-Download erwerben:

<http://www.symposion.de/msc/konfig/index.htm>

Impress and Contact

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