

overstock.com® **TURNING ON THE SPIGIT OF IDEAS AT OVERSTOCK.COM**

Overstock.com, is an online retailer offering high-quality, brand-name merchandise at discount prices. With over 1,500 employees at Overstock.com, 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.

Utilizing a robust set of idea management software solutions, 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.

CASE OVERVIEW

Company

Overstock.com (formerly known as Overstock.com)

Industry

Online Retail

Spigit Products

Spigit Engage, SpigitEngage for Facebook

Challenges

Harnessing ideas for process improvements and company improvements in general

Implementation Time

2 months

Users

Employees, customers, and partners

Results

- Engaged customers in innovation process
- Significant increase in cross-functional collaboration and decrease in organizational “silos”
- Increase in employee satisfaction
- Enhanced transparency of opportunities to improve business



CHALLENGES

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, Overstock.com wanted to find a way to engage its employees in purpose-built innovation communities to create new ways to improve its business. The executive leadership wanted to create a central place where associates could propose and collaborate on each other’s ideas; a place for them to share their expertise; a place where they knew that their voices would be heard and their ideas considered.

Overstock.com believes that the success of an organization is largely determined by the ability to enable constituents to be creative. The executive team knows that members don’t have all of the good ideas, and in late 2009, they searched for a method of tapping into one of Overstock.com’s most valuable assets – the creativity and intellect of their employees.



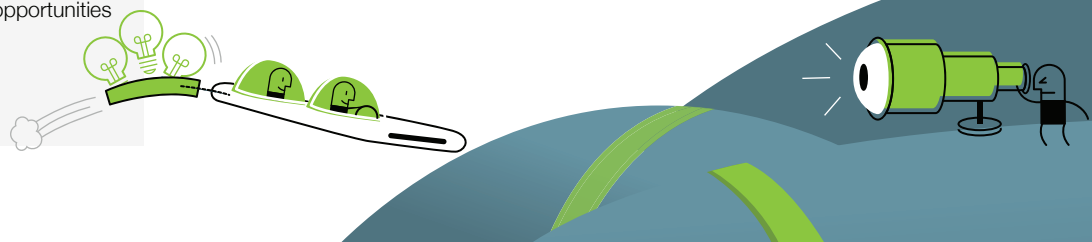
BENEFITS

“The internal innovation community hosted by Spigit has been a more comprehensive solution than we could have imagined,” stated Overstock.com. “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, Overstock.com’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, they 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 Overstock.com’s innovation community, when agents in the 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.,” says Overstock.com.





In early 2010, Overstock.com 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 through ideas and distinguish the good from the bad," says Overstock.com. "The interesting ideas emerge automatically based on the crowd's feedback in the community. Having this type of capability has been tremendously valuable for us."



After such success with its enterprise solution, Overstock.com 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," says Overstock.com. "Spigit provides Overstock.com with effective software to engage these constituents as well."

Using another tool from Spigit, Spigit's Facebook social innovation solution, Overstock.com is able to execute marketing programs with purpose, enabling customers to voice their insights and develop ideas that create loyalty and brand champions. The online retail leader frequently uses social media to communicate with its customer base, and the Facebook innovation application exemplifies the company's 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," says Overstock.com.

Finally, Overstock.com is in the process of building an innovation community for its partners. With this tool, the company will be able to step outside of the pull-approach of traditional program management and instead, allow its partners to push information to them and start meaningful conversations. Overstock.com will be able to proceed with confidence knowing that initiatives born of this supplier-facing innovation platform will have endured a degree of scrutiny by an informed audience – its 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," says Overstock.com. "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."

ABOUT SPIGIT

Diversity of insight is often the source of the most innovative solutions. Spigit is a platform that enables organizations to tap into the collective intelligence of employees, customers, partners and fans to help tackle business objectives.

By incorporating game mechanics, Spigit first engages your people at scale. Using social algorithms Spigit then leverages this crowd to do the heavy lifting and surface and vet the most promising ideas through collaboration. Finally, with big data analytics Spigit pinpoints actionable and predictive information that drives results.

The largest and most innovative companies in the world use Spigit including Overstock.com, AAA, US Bank, City of New York, Estee Lauder and Capgemini. For more information about how you can enable crowd innovation for your enterprise, visit www.Spigit.com, email info@spigit.com or call 1-855-SPIGIT1.

