



p-TIPS

Break on through to the other side (Achieving deep customer focus)

The management literature confirms the importance of customer focus for sustainable enterprise growth. Deep customer focus isn't just tracking purchases or offering new products; it's the attitude of an organization. A company with deep customer focus offers the outcomes sought by customers and becomes indispensable to them. How can the necessary changes be made for deep customer focus? Professor Sandra Vandermerwe, Tanaka Business School, Imperial College, University of London, offered advice on 10 "critical breakthroughs" in the Spring 2004 issue of *MIT Sloan Management Review*.

1. Create strategic excitement. Generate excitement about a new direction before a crisis, e.g., sagging sales, occurs. Then people will feel inspired, not scared.
2. Enlist "points of light." Don't worry about gaining a consensus. Find people willing to try new things and let them inspire others.
3. Articulate the new market space (desired customer outcome). Rely on "intelligent hypothesis" rather than research alone, since you are in a way inventing the future. Let people in different product groups and disciplines see how they could contribute to the new market space.
4. Identify the value opportunities. A high-level team should use the customer-activity cycle to identify gaps (what customers could or should do) and fill them.
5. Build a compelling case. Use the customer-activity cycle to develop detailed stories that exert rational and emotional appeal.
6. Size the prize. Determine how much the bottom line will improve with deep customer focus.
7. Model the concept. Start with a customer workshop demonstrating the customer-activity cycle. Let customers validate, or amend, the value propositions (filling of gaps).
8. Get people working together. A hierarchical, departmentalized attitude doesn't lead to deep customer focus.
9. Get critical mass. Make it easy for customers to choose a new option by quantifying both the financial and nonfinancial benefits. Collect "before" and "after" data to create and educate the market.
10. Gather momentum. Because customer value is created using information, it can be used repeatedly. Once knowledge is gathered, it can be adapted to other markets and areas at low cost.