

Value Genesis: Infusing the Voice of the Customer into a Fortune 500 Company

Client: Commercial Division of a *Fortune 500*, Diversified Equipment Company.

Challenge: A major division of the client company was seeking to move from a number three position to leadership in its target market. This was a significant challenge because the client was currently losing market share in key categories, due in large part to its “fast follower” market strategy, in essence responding to new offerings by the market leader, rather than leading innovation on its own.

Diagnosis: An initial audit of marketing practices revealed that the client had no formal mechanism for gathering product requirements. Rather, they relied on information gleaned from daily customer contact resulting from ongoing sales and service activity. The sales organization was focused on business lost to competitive products, while the engineering organization was focused on addressing the complaints of existing users. These independent, and largely undocumented, information flows lead to diverging views of customer needs. The result was paralysis.

Methodology: Using elements of the Value Genesis framework, we started with comprehensive interviews of end users. At 5:30am on a Tuesday morning, a cross-functional team of client and Product Genesis personnel met with the first of many equipment operators, purchasers and mechanics. With sunrise appointments at most locations, the customers were so impressed with the team’s resolve to improve their experience that they expressed candid product impressions without hesitation – on camera.

Each customer visit generated approximately three hours of video documenting multiple stakeholder interviews and detailed observations of equipment operation and maintenance.

We followed this process at no less than thirty customer locations, compiling some ninety hours of video footage. The video was reviewed and translated into customer-based product needs, be they basic (needs the customer assumed the product would meet), explicit (needs the

customer stated they would like the product to meet), or delighting (needs that would provide the customer some measure of delight or excitement should they be found in the product). The translation process yielded more than 3,000 customer needs statements surrounding a dozen different product categories.

The customer needs statements were mapped to the video footage from which they were derived and loaded into an interactive database that allowed instant recall of the appropriate footage.

Results: In this case, the use of an indexed, interactive database of customer needs provided direct input into the front end of the product development process. The needs statements were combined and organized into a hierarchy of needs (KJ process), which was then mapped to target design metrics (QFD process). The outcome was a product design tool that provided direct linkage between design metrics and the actual customer input.

In an organization with diverging views on customer needs, an interactive database of customer video allowed all players in the process – marketing, engineering, management and sales – to work from a irrefutable source of common data.

The video database provided both clarity and subtlety to the team’s understanding of customer needs. Easy, common access to images of customer usage patterns allowed the team to communicate in confidence that they were working from the same set of assumptions. In addition to converging on high level needs, the team could revisit the video clips to develop a more nuanced view of the customer’s needs and working environment.

The results of the Value Genesis process allowed client-side management to not only push forward with advanced product development concepts on a structured roadmap for success, but served to unify communication within the organization by providing highly documented and supported conclusions. The project resulted in customer adoption

of the Value Genesis approach to customer requirements gathering; more unified communication within the organization; the pinpointing of key obstacles to market-leading product development; and a series of innovative new product concepts, which rapidly moved into the development pipeline in support of the new market strategy.

