



CUSTOMER MANUFACTURING GROUP

What position do you occupy in the minds of the users?

Your reputation not only precedes you, it also determines either the ease or difficulty of your progress.

This will give you an indication of current position, demand shift, and direction and rate of change.

THINK LIKE YOUR CUSTOMERS:

LISTENING TO LEARN YOUR CUSTOMERS' PERSPECTIVES

In order to "think like a customer," imagine that you *are* the customer describing to someone your business objectives and the resources you will need to achieve them. Now, back in your supplier role, isn't that the kind of *information* you really need for your future? Thinking and listening are prerequisites for understanding what your customer expects from you.

Your Customer & Your Market

Let's be clear about one thing: you sell to customers and not a market, although we often talk about what the "market" demands. No such "market" anywhere ever wrote out a check for anything. We all understand that a market is the composite of a group or class of customers having a common description of what they do and a common need for a product/service or type of product/service that helps them do it. You can't ask the market what your position with it is, but you can ask the individual companies comprising this market what your position with them is.

Some of this market assessment can be quantitative; that is, individual quantitative responses which can be statistically tabulated into some representative mathematical distribution of how the market sees you; X percent said this, Y percent said that, for example.

This type of evaluation does have its place when you're dealing with very large "markets" where "means" (averages) and sigma distributions can provide both center shot and rim shot targets, particularly for "commodity" type products. That is, on the "average," the market wants . . .

But even in this scenario, what does this tell you about what your individual prospects and customer will want, and will buy, *in the future*, from you?

In your target market(s), what would the few leading prospects . . . and your key customers . . . like to see from you? What position do you occupy in the minds of the users? The need for this type of information — not to be confused with data — is even more critical if you're selling, or plan to sell, a non-commodity product/service, perhaps even a custom or semi-tailored product. A macro analysis of trends in your customers' industry and . . . if they're not the ultimate end user . . . of trends in their customers' business, can yield valuable insight. At the least this can help keep you from being whipsawed by "surprises" you shoulda' seen coming. However, "micro analysis" keeps your doors open and tells you where you need to be in the customers' minds.

Certainly, macro assessments can, and should, be made from micro-analyses, but in most cases your customers define the market they're in, and what they will buy from you, or won't, customer-by-customer. Balancing out this need for, and the value of, both macro and micro evaluation is a challenging and solvable issue. In order to obtain this crucial information, begin at the beginning, with your prospect or customer — the folks who may eventually sign the checks or who are already doing so.

Your Customer is Your Future

Customer satisfaction measurements can determine the legitimacy and credibility of your current product or service offering.

Variable components of your quality, post sales service, responsiveness, communications, ease of doing business, and comparison of these with your competition can be qualitatively and quantitatively determined through a variety of means, including satisfaction surveys. A survey which focuses on your current performance can indeed be a powerful tool for identifying where you stand in your customers' opinions. It facilitates *tactical* course corrections or confirms that you are on the right track.

Your future, by definition, connotes a place where you have yet to arrive and possibly things you haven't done before (as opposed to simply more of the same). Your customers' future determines yours; wouldn't it be crucial to know if you're going to be included?

A market position — and the positioning activity required to place you there — is your current base for future operations . . . unless you're planning something really radical. How you got "here" has a varying degree of relevancy for how you plan to get "there," depending on the new destination. But unless you are embarking on that radically different path, your successful journey to "tomorrowland" depends on the position you currently occupy in your customers' minds.

Your reputation not only precedes you, it also determines either the ease or difficulty of your progress. Of course, if your strategy is simply "more of the same to the same," instead of reaching out to pull yourself ahead to the future, you'll simply be waiting for it to arrive . . . and you'll have to settle for whatever arrives with it.

Market Position versus Customer Satisfaction

Although an effective customer satisfaction survey must include some assessment of your customers' attitudes toward your company overall, its main focus will be on the product/service you currently provide. Market position surveys, on the other hand, take your current position and presence and project it "down the road" to see how well you might fit in some future period

A market position survey should essentially ask your customers to tell you how they perceive you in the larger marketplace. It may not be practical or appropriate to cover a statistically valid sample of your total available market (which might very well be global), or necessarily even a mathematically correct model of your current customer base. If this is the case, focus on a quality based representation of your known world by contacting a selected number of the people who know you best; each customer, one at a time, qualitatively.

Listening For Your "What's"

In any commercial relationship there are three levels of *What* to be considered:

- What #1 refers to your company's perspective of your offerings: *What do I sell?* This is a description of your products/services and covers what you produce, its attributes, and what is not included.
- What #2 refers to your target customer's perspective of your offerings: *What are my customers buying?* (including and in addition-to the product itself). Knowing this is crucial to understanding the value that your customers expect: it

determines your price strategy, promotional activities, sales strategy, branding, and other aspects of your positioning. Further, it defines where your products fit vis-à-vis competitive offerings.

- What #3 enhances your What #2 by including differentiation from alternative or competing solutions *What are my customers buying from me that they cannot get elsewhere?* This is their perception of your (perhaps) unique value proposition; it is why they select your offering over a competitive solution that may be priced less, have different features and benefits, or otherwise a different value package.

A market position survey should concentrate primarily (if not exclusively) on What # 2 and #3. Sometimes in the process of inviting your customers to tell you how they perceive your *What's* you'll find out a lot more about their *Who*. That is, *Who* they are as the foundation for *What* they want from you.

You need to ask a lot of "whats," listen carefully, and then ask a few well-placed "whys," as in for example, "What do you think we need to do in order to garner a larger portion of your business in the next two-to-five years?" then, "Why?" This will give you an indication of current position, demand shift, and direction and rate of change. You will then need to put these individual responses together in a manner that provides you a real world indication of where you had better be going with your *What*.

The preferred style for market position surveys — those that gather futures oriented insightful information — don't provide crunched numbers

and statistical analyses. Instead, they provide you with evaluations of what your customers personally tell you when afforded the opportunity to think outside the box that currently delineates your mutual relationship. These evaluations must be made by experienced marketing and management experts and not by statisticians using inside the box algorithms.

The evaluations must be in the context of the information you need in order to secure your current and future position and to chart any new course that may be required to properly position you in your customers' minds.

Your executive decisions which follow will be made on the basis of both data and information, your knowledge, and your wisdom. While data is largely a legacy issue, the *information* senior executives need must enhance their knowledge and lend itself to their accumulated wisdom. A proper customer inquiry must support decision-making at the highest appropriate levels of executive management. This level of understanding comes from *listening*.

Your Surveyor Resource Options

Market position surveys — and in particular those designed to provide you a glimpse of your future through your customers' eyes — can be designed and executed by selected members of your staff who can develop the customer survey in concert with your information requirements, and who are (or can be) schooled in proper interviewing techniques. A good interviewer will both enable and even enhance a productive customer inquiry, while a poor interviewer can make a shambles of the project.

The usually preferable alternative to using your in-house staff is to employ the services of a competent third party who is capable of both taking the lead in working with you to develop the survey and who can conduct the interviews. Typically the third-party resource will be much more adept at "open listening" than will be an in-house employee; the former will have no agenda other than the survey and will have no legacy or "baggage" to explain, apologize for, comment on, or the like — all of which can force the interviewer to talk more than listen, detract from what you need to learn, and greatly cloud the process and thereby the results.

Whichever survey resource you choose, two ancillary but crucial elements must be kept in mind:

1. The interviewer must be competent, capable, and comfortable with interviewing at the level of customer management targeted for the survey. There is no substitute for the degree of confidence and poise expected at that level.
2. The interviewer will be your company's de-facto ambassador, and as such this person must represent your good will, best interests, and outstanding customer relations philosophy. Do not under any circumstances entrust this responsibility to anyone who cannot or will not enhance an existing customer friendship or make a new friend for you.

Interviewing: A Helpful Tool

Business interviewing just comes naturally to some people; for them it is an inherent art, a gift of purposeful gab . . . and listening. For the rest of us it can be a learned skill, a skill made

easier by the practice of proper techniques and procedure.

No-Sweat Interviewing is a useful primer designed to help the not yet professional business interviewer become one, or to at least be able to conduct the occasional survey with personal confidence. This e-Book can be ordered online by visiting <http://www.marketingandsalestools.com/marketing.shtml>. In the process you may well find additional items of interest to enhance your business performance.

More Information

If you'd like to learn more about Customer Manufacturing Group, or for a complimentary subscription to *Customer Manufacturing Updates*, give us a call at (800) 947-0140, fax us at (408) 727-3949, visit our website at www.customermanufacturing.com, or e-mail us at info@customerfmfg.com.

We have offices in major cities in the United States, and our experts travel extensively throughout the world. If you'd like to schedule a meeting when we're in your area, just let us know.