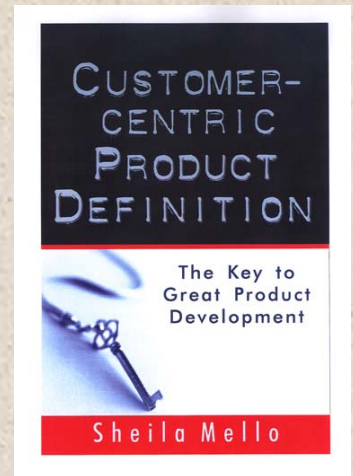


How to Find New Innovative Opportunities



*Taking Better Advantage of the
Voices of Your “Customer”*



PDC

*Product
Development
Consulting, Inc.*

Sheila Mello
smello@pdcinc.com

Agenda

- 2:00 - 2:05 Introduction**
- 2:05 - 2:15 Driving Customer Focus throughout Product Development**
- 2:15 - 2:25 Exploring with your Customer to Develop Empathy**
- 2:25 - 2:30 Q&A**
- 2:30 - 2:40 Extract Key Images of the Customer**
- 2:40 - 2:45 Q&A**
- 2:45 - 2:55 Translate Customer Voices into Requirements**
- 2:55 - 3:00 Q&A & Wrap-Up**

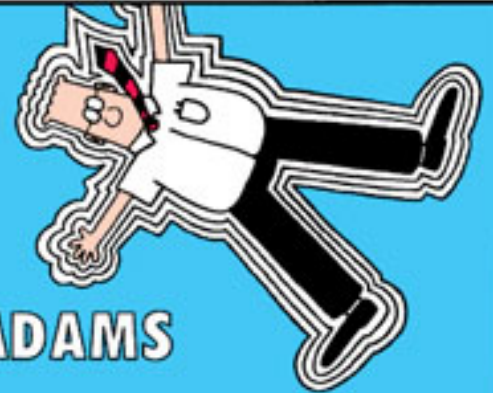
Drive Customer Focus through Product Development



DILBERT®

BY

SCOTT ADAMS



AS VP OF MARKETING, I AM PROUD TO INTRODUCE THE NEW VERSION OF OUR PRODUCT.

E-mail: SCOTTADAMS@AOL.COM

BEHOLD!!!

THIS IS A TESTAMENT TO WHAT CAN HAPPEN WHEN YOU LISTEN TO CUSTOMERS.

WE ASKED CUSTOMERS WHAT THEY WANTED THE NEW VERSION TO DO.

SIX MONTHS AGO I GAVE THAT RAW DATA TO YOU ENGINEERS. TODAY WE SEE THE RESULT.

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IT'S THE FIRST TIME I'VE SEEN IT MYSELF.

WHAT'S IT DO?

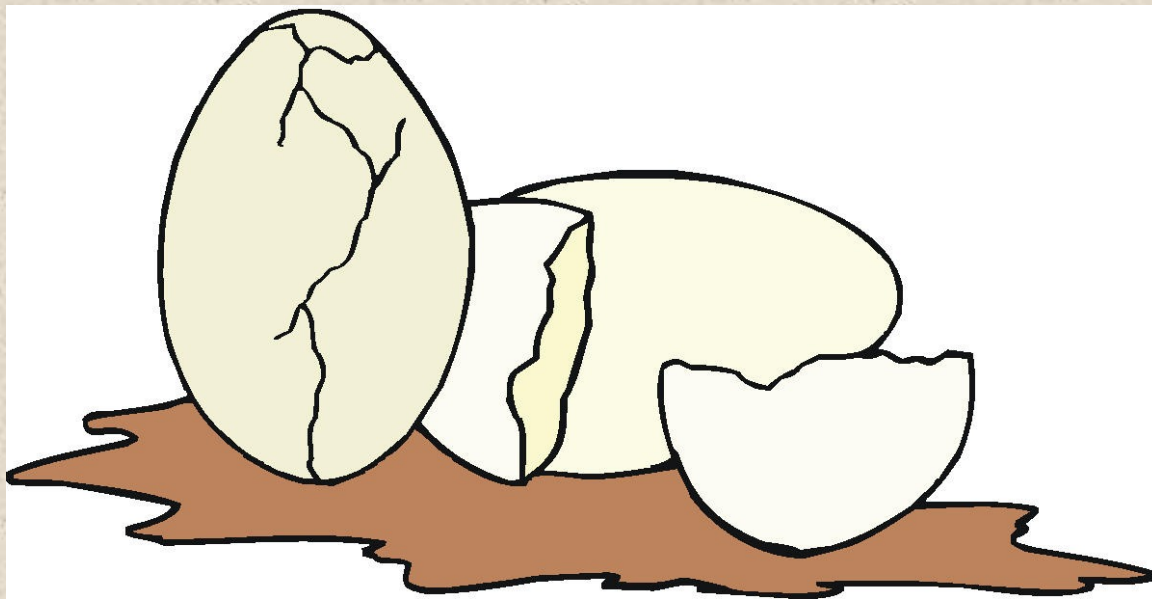
BAM!!

www.dilbert.com

OUR CUSTOMERS SAID THEY HATE US.

SPIT

Approximately 80% of all new products fail within six months or fall significantly short of their profit forecast



Reference: "How Customer's Think" by Gerald Zaltman., Harvard Business School Press; (February 21, 2003)

***46% of development
resources are spent on
projects which commercially
fail or never make it to
market***



Reference: "Accenture Study 2002"

What Are Companies Doing with Customer Data?

	1999	2001
Marketing	18%	52%
Customer Service	16%	48%
Sales	16%	34%
Process Improvement	2%	22%
Fraud Detection	10%	14%
Product Development	4%	10%
Don't Use Data	72%	0%
Don't Know	0%	18%

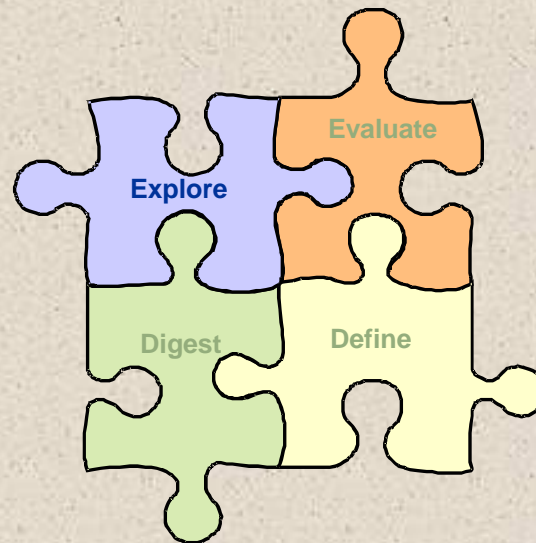
Data: Forrester Research Survey of 50 of the
100 Largest US Companies

Is This a Surprise?

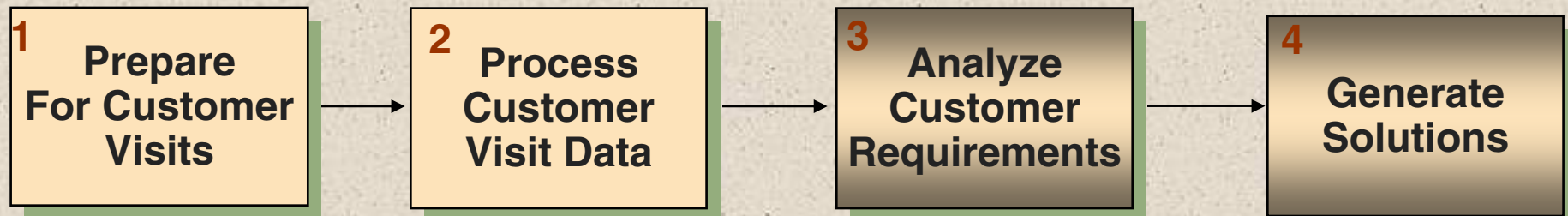
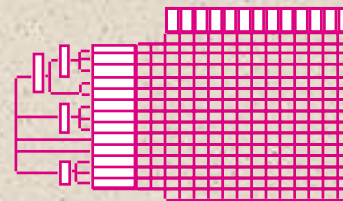
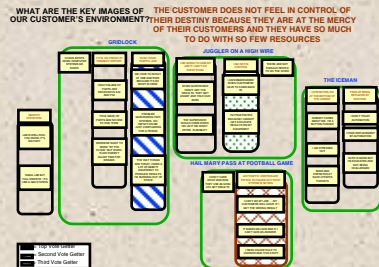
- **Most companies address product definition by validating features with their customers**
- **This approach assumes that you have the right features**
- **You never get out of the box**



Explore with Customers to Develop Empathy

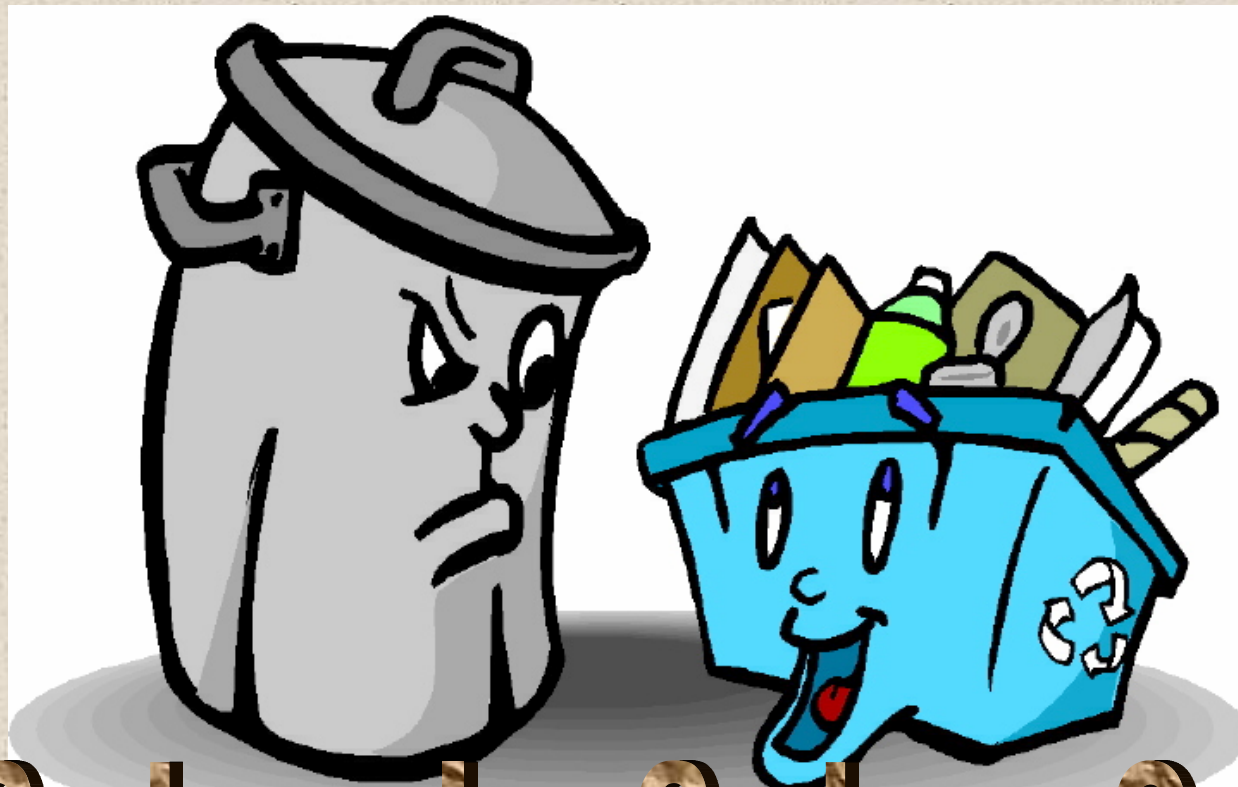


Today's focus in a Structured Voice of Customer Process such as Market-Driven Product Definition (MDPD[®]) is the Processing of Customer Data



But,,,,

- **To obtain quality results from the customer data**
 - ~ You need to collect robust data



Garbage In - Garbage Out

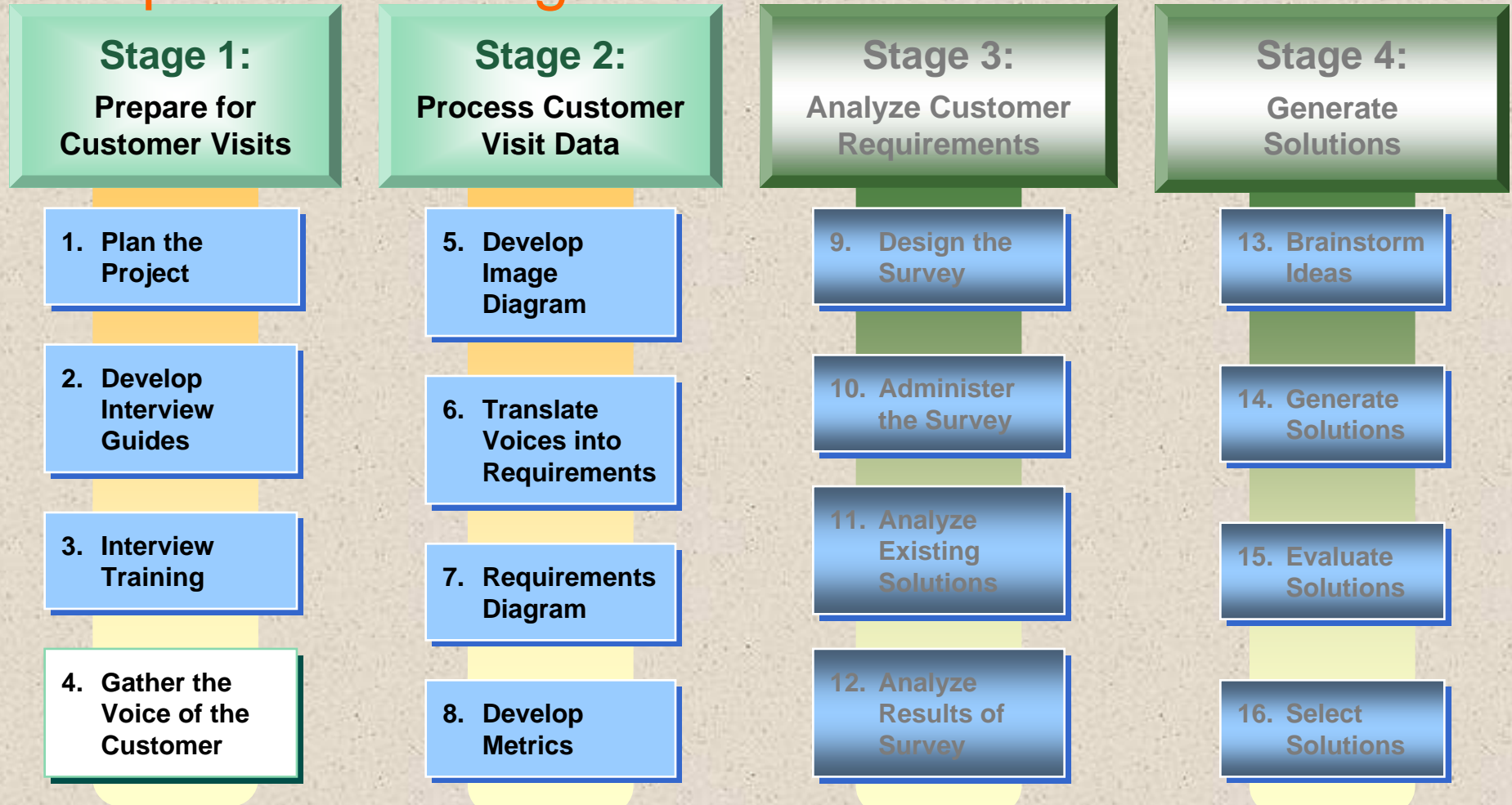
Level of Detail in a Structured Process

Explore

Digest

Evaluate

Define



Key:

These are the key stages of the process

These activities are done mostly in workshops

These activities are done outside of workshops

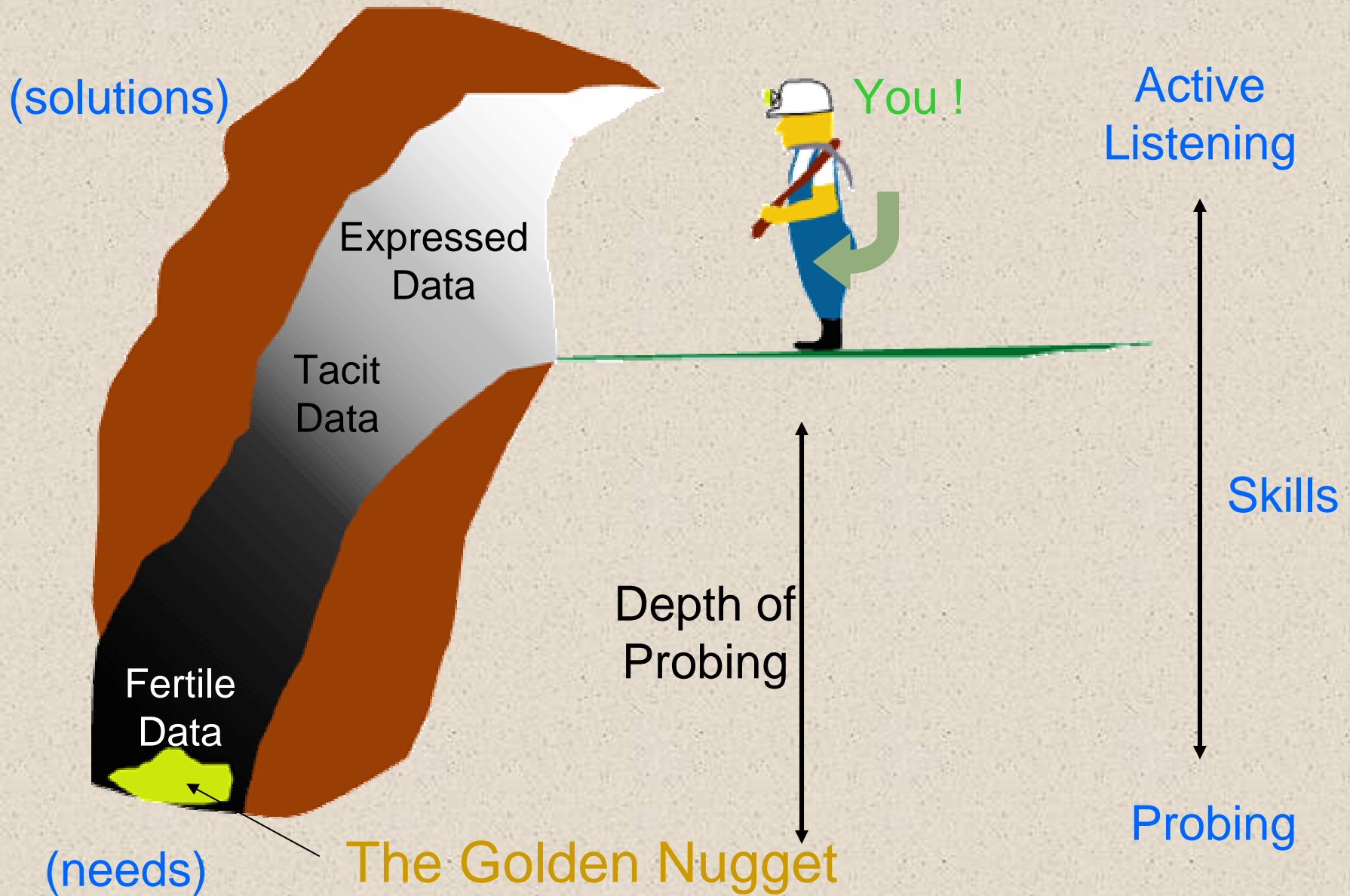
Visit Customers in Their Environment



Ask Open Ended Questions

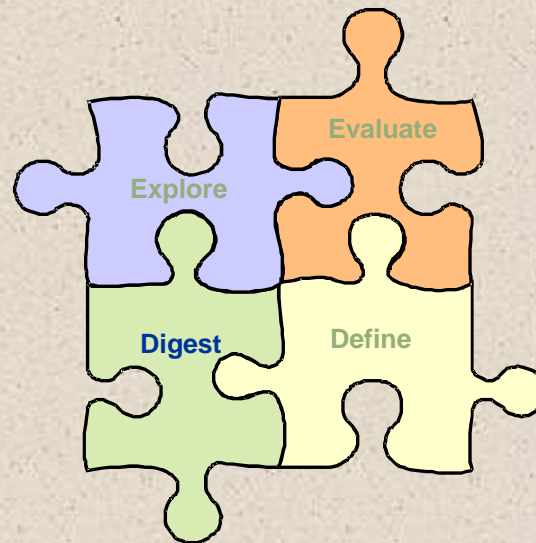
- **“What” questions focus on happenings or motive**
 - ~ Example: “What problem would that solve?”
- **“How” questions focus on the way things happen**
 - ~ Example: “How does that impact the way you to...?”
- **“Why” questions search for reasons**
 - ~ “Why is it that...?”
- **“Could” questions are open-ended**
 - ~ Example: “Could you give an example of...?”
- **Other types of questions:**
 - ~ “Are” and “do” are often the clue to a closed-ended question - more desirable to say: “can you think of a case when?”
 - ~ A long pause can be a question in itself
- **“What else?” will elicit more responses than “Is there anything else?”**

The Old Mine Principle



Q & A

Digest Customer Voices to Identify Image of the Customer's World



Gather “Images” from Customer Visits

- **The key to capturing the voice of the customer**
 - ~ Helps the team discover unstated requirements
- **Allows the team to reach consensus regarding the customers’ environment**
- **Creates a single document that tells a story and can be shared**
- **Pinpoints the customer pain that drives their buying decisions**
 - ~ “I struggled to install the system for an hour and had to call customer support. What a waste of my time!”
 - ~ “I am kept turning the button to try to start it and the darn thing broke off. Boy, did I look stupid!”

Image Selection Criteria

- **Verbal, impressionistic characterization of the customer's environment**
 - ~ What life is like for them
 - ~ What motivates them
- **Fits the theme “What scenes or images come to mind when you visualize _____?”**
 - ~ Current scenes of the customer's environment
 - ~ Not future projections
- **Rich, vivid, specific - NOT broad**
- **Current (not future)**
- **Diversity (we want a broad cross-section of environmental descriptions)**

Group the Images

- **Purpose**

- ~ Creates team consensus of the customer attitudes and of the environment in which the product must function
- ~ Structures images

- **Benefits**

- ~ Provides a foundation for developing requirements
- ~ Allows those new to a project to grasp the customer's "world"
- ~ Team can share images with management

MY SYSTEM'S PERFORMANCE EXCEEDS MY WILDEST DREAMS!



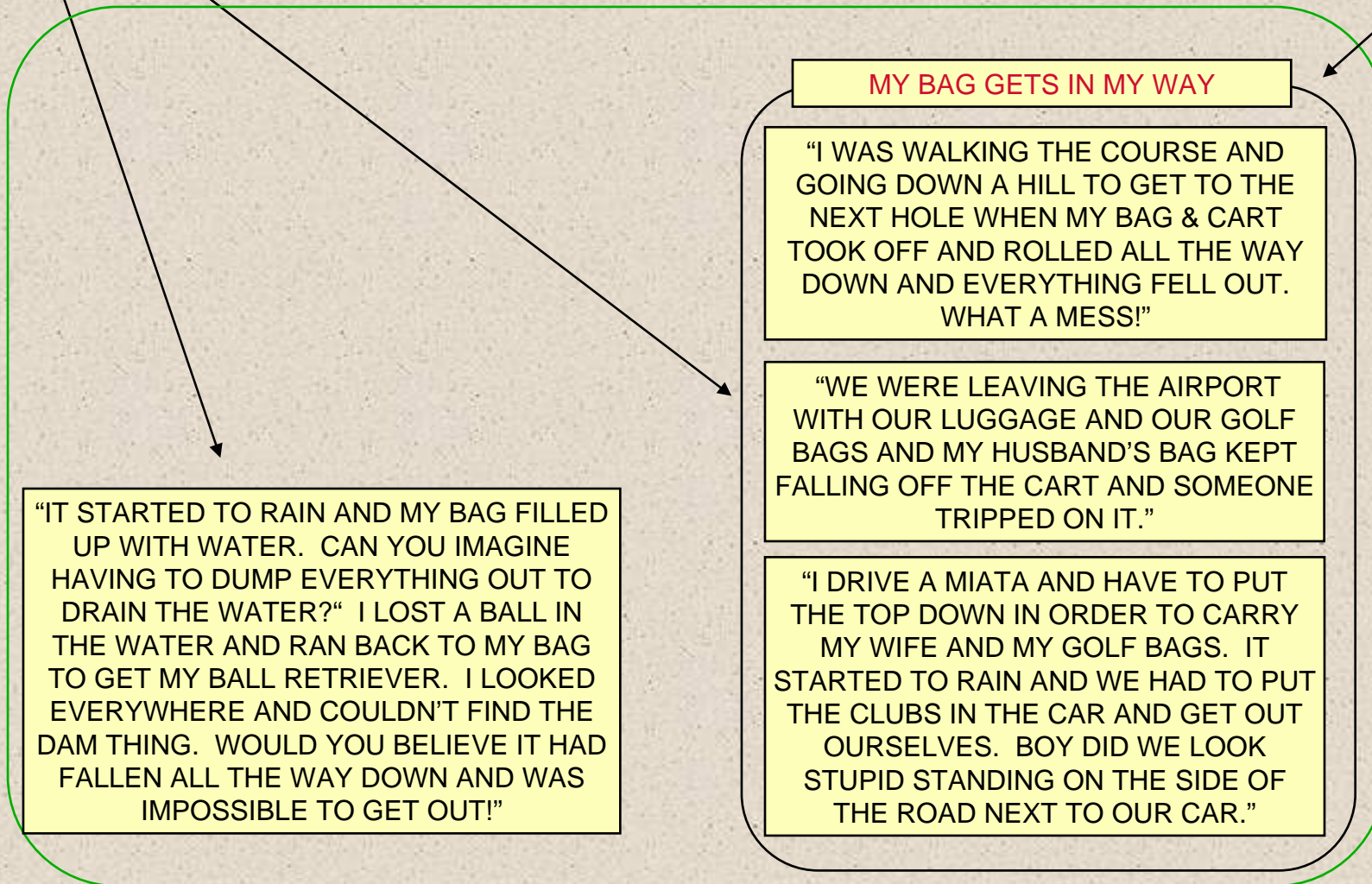
Image Diagram: Golf Bag Example

What scenes or images come to mind when you visualize your customer and their environment?

Title of images

MY BAG IS A PAIN IN THE BUTT

Images



Benefits of Language Analysis Process

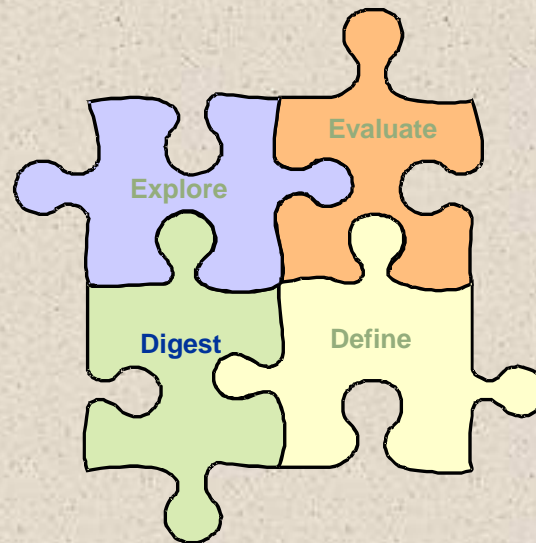
- **Deals with diversity**
 - ~ Organizes diverse ideas and information
 - ~ Develops team consensus and teamwork
 - ~ A diverse group can come to a common conclusion
 - ~ Everyone is equal
- **Avoids confrontation**
 - ~ Defuses wasted emotion
 - ~ Extreme ideas are treated appropriately in a non-confrontational manner
 - ~ Facts are stratified and averaged without confrontation
- **Facilitates prioritization**
 - ~ Open exchange of information
 - ~ A discussion, not a debate
 - ~ The stratification is done from the bottom up, helping the team break free of preconceived structures and outlines

Summary

- **Brings consensus of the vision to the team**
- **Helps the team deeply understand the drivers in the environment of its customers**
- **The image diagram:**
 - ~ Focuses on a smaller set of the most vivid aspects of the customer environment by using the results of the filtering process
 - ~ Provides new insight into needs by discovering interrelations and hierarchies

Q & A

Digest Customer Voices to Identify Vital Few Requirements



Translate Customer Voices into Requirements

- **Clearly state and document the customer needs implicit in the verbal and observational data from the interview**
 - ~ Derive **subliminal values** from the voices of the customer
- **Customer requirements are **the** most critical output of the voice of the customer process**
 - ~ The basis for sellable solutions
 - ~ Provide new, deep insights
 - ~ **Do not constrain customer solutions**

Requirements Translations: Definitions

- **Voices**

Raw transcripts from customer interviews that may include images, requirements, or other statements

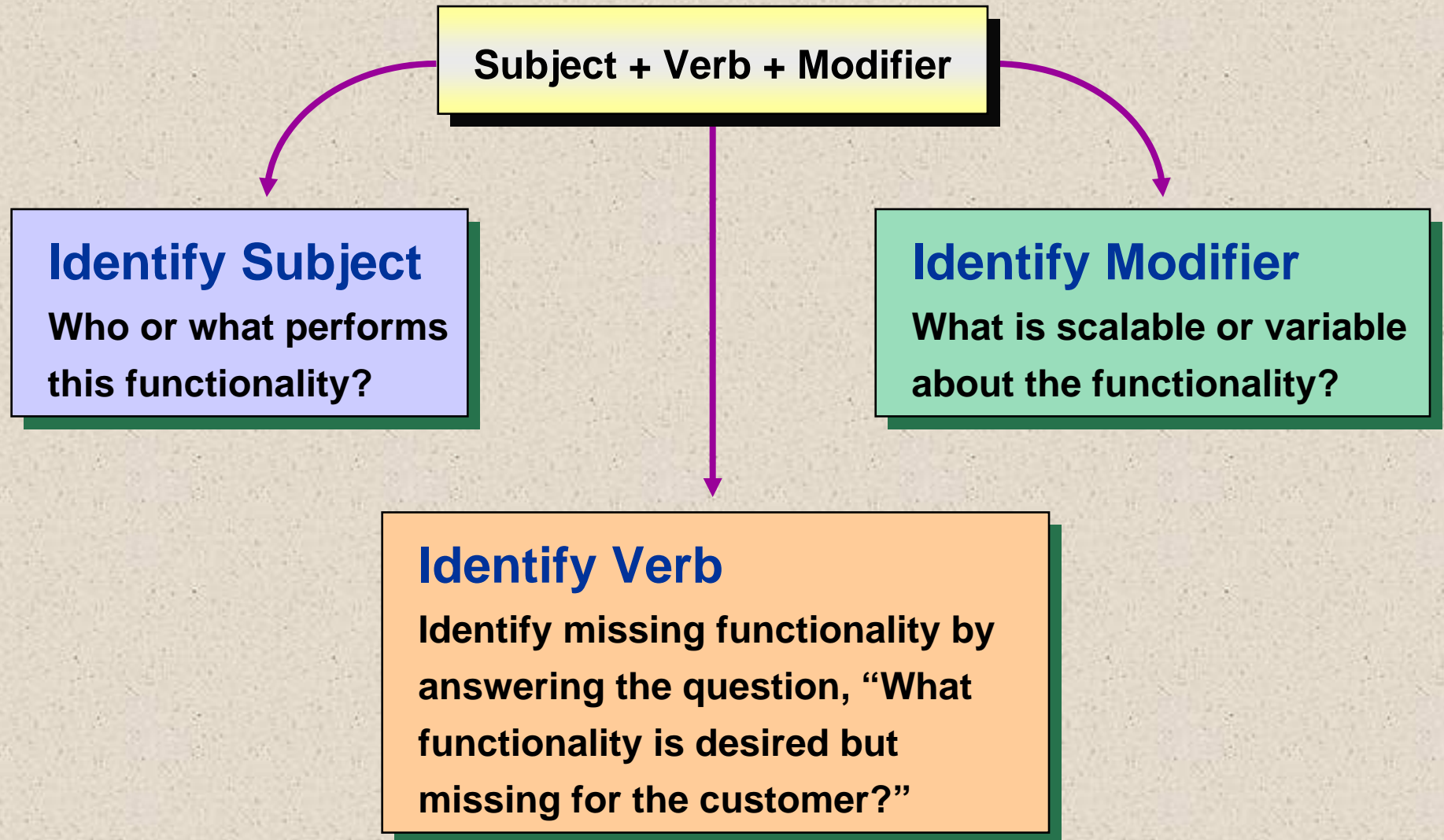
- **Customer requirement**

A statement of what functionality a product or service possesses

- **Functionality**

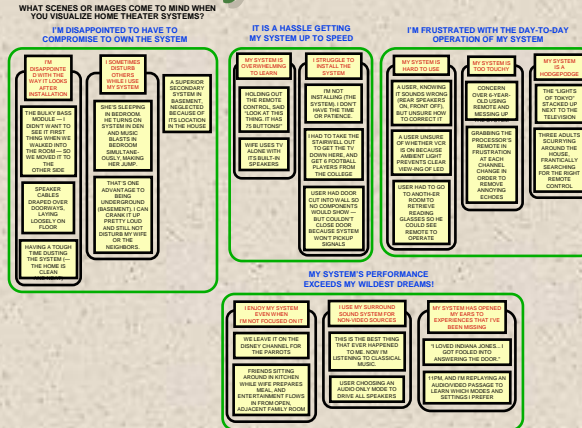
The purpose for which a feature exists

Extracting Customer Values



Requirements Translations: Overview

Voice + Image to Key Items to Requirement



- ◆ We (end user) need 12 lines minimum because we're going to increase staff
- ◆ I'd like to see that the customer is getting to the person that is going to help them the most and the quickest

Place requirements on Post-its™ and code on bottom corner to enable tracing back to transcript

#	Voice of the customer	Images	Key Items	Customer Requirements
			<ul style="list-style-type: none"> • Verb • Subject • Modifier 	

Translation Template

Customer Voice Translation Sheet Customer Transcript _____

#	Voice of the customer	Images	Key Items	Customer Requirements
1.	"I'd like to see that the customer is getting to the person that is going to help them the most and the quickest."	<p>"I want an answer now! You hear that so many times, I got transferred six times."</p> <p>"There are just too many people frustrated by a non-human answering the telephone. When they finally get to a real person they yell and scream at me out of frustration"</p>	To satisfy customers; operational efficiency; speed; most knowledgeable agent	Customer obtains help quickly. Customer obtains help with minimum number of interventions. Customer can reach a human with minimal steps

Requirements Examples

- **Manager can provide reports in a maximum number of standard business applications (e.g., Excel, Lotus) formats**
- **Call center operator can input data with a minimum number of errors**
- **Customers can maximally combine technologies from different manufacturers**
- **Agents can fulfill calls while minimizing caller's time on the phone**

Develop Customer Requirement

Identify Verb

Identify missing functionality by answering the question, “What functionality is desired but missing for the customer?” This functionality must be a verb!

Identify Subject

Who or what performs this functionality?

Identify Modifier

What is measurable or variable about the functionality?

Write Customer Need Statement

Articulate statement in full sentence form:

Subject + Verb + Modifier

Translation Guidelines

- **No statement of means**
 - ~ Avoid solutions - state the requirement or functionality
- **Avoid abstract language**
 - ~ Avoid words like “good, easily, comfortably, reliably, accurately” which mean different things to different people
 - ~ Must be actionable
- **Use multi-valued language**
 - ~ Describe what is scaleable about the functionality
 - ~ Use language that implies a range of functionality

Gain Insight into Customer Needs

- **Purpose**

- ~ Develop insight into the relationship between the customer requirements
- ~ Generate the key benefit messages
- ~ Create the overall design objectives
- ~ Establish the team's ranking of the needs

- **Benefit to selecting a method to structure needs**

- ~ Provides the key requirements for the product
- ~ Allows those new to a project to grasp the customer's requirements
- ~ Team can share requirements with extended team and management

A Requirements Language Analysis Diagram

- **Is:**
 - ~ An abstraction of translations, combining the images of the image LA with the customer statements to arrive at development objectives
 - ~ Stated in terms that are meaningful to the company (“language of the company”)
 - ~ Checked against the image diagram to ensure comprehensive coverage of the customer’s current experiences
 - ~ Arrived at from team consensus
- **Is NOT:**
 - ~ A detailed requirements document
 - ~ Statement of needs in technical or solution terms (“language of the engineer”)

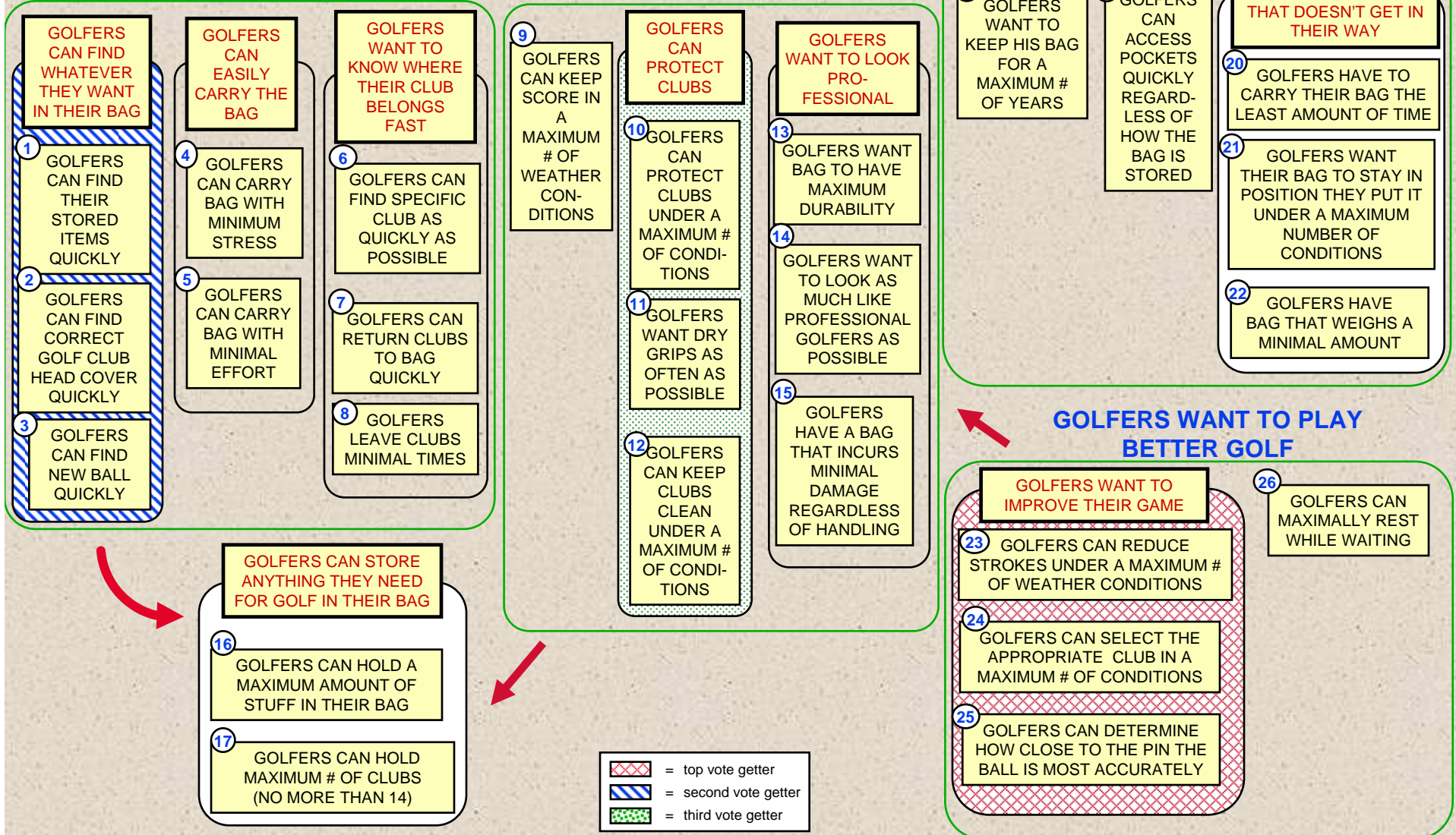
WHAT ARE THE KEY CUSTOMER REQUIREMENTS FOR A UNISEX GOLF BAG FOR THE MASS MARKET?

GOLFERS WANT THEIR BAG TO HELP THEM BE MORE SUCCESSFUL AND LESS STRESSED AT GOLF

GOLFERS WANT TO FOCUS ON PLAYING GOLF

GOLFERS WANT TO EMULATE PROFESSIONAL GOLFERS

GOLFERS WANT THEIR BAG AS AN ASSET





“I BELIEVE IT’S TIME WE STOPPED RELYING SO HEAVILY ON INSTINCT.”

Q & A and Wrap-Up

Summary

- **Understand your customers**
 - ~ What makes them tick
 - ~ What motivates them
 - ~ What drives them crazy
- **Extract what functionality the market is missing**
 - ~ Not just what the people tell you
 - ~ Measurable and scalable
 - ~ In customer language with direction to development