



Are You Heeding Your Customers' Reality?

by Scott Stribny

In today's era of immediacy, customers are more demanding than ever. Some senior leaders of product companies — struggling to keep up with customer (and other stakeholder) expectations — describe their experiences with the product development process as “random walks with random results” and as a series of “blind alleys.” Some of these same leaders may even seem to subscribe to the belief that customers don't know what they want. In this *Executive Update*, we ask: To what extent are you incorporating your customers' reality into your product development processes? How can a rigorous voice of the customer (VoC) solution help your company grow with significant and sustainable margins?

Going Beyond “What They Want”

The customer perspective communicates what is important to the customer, why it is important, how it will be measured, and how it will be addressed in the customer solution.

VoC solutions combine multiple technologies associated with the eliciting, storing, and analyzing of direct, indirect, and inferred customer input. Technologies such as social media monitoring, enterprise feedback management, speech analytics, text mining, and Web analytics work together to provide a holistic view of the customer’s voice. The resultant customer perspective communicates what is important to the customer, why it is important, how it will be measured, and how it will be addressed in the customer solution. Heeding the voice of the customer provides the following benefits:

- Grounds internal viewpoints in external customer realities
- Aligns diverse individual perspectives to a common view of customer value gaps
- Identifies both explicit and latent customer needs
- Explores early solutions and validates customer value
- Focuses thinking through a disciplined process

Although a few product teams have successfully used VoC techniques, many product development efforts frequently omit critical activities. Translating customers’ voices into winning products goes well beyond simply asking customers what they want. Capturing customer requirements must be a comprehensive, structured, risk-aware process that

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emphasizes systematic exploration of the customer experience to reveal useful clues about latent underlying needs.

Those clues then need to be translated into clear statements of the customer-valued problems that must be solved. Clearly articulated customer requirements drive the development of innovative solutions. Once you've identified the optimal solution for any given opportunity, you can create the product requirements and define appropriately precise product specifications.

Wrestling with Key Challenges

Clearly articulated customer requirements drive the development of innovative solutions.

Among those companies incorporating some sort of customer voice into their product development process, often that voice is inconsistently applied to product development and seldom validated before applying it throughout the product lifecycle. Some reasons for the struggle to successfully incorporate differentiating customer requirements into development process include:

- **“Oh, I believe in yesterday.”** Developers misunderstand that the requirements are what customers ask for at a specific point in time; if such feedback were used as the primary input to product development, then a company may risk making yesterday's no-longer competitive products.
- **“Bass-ackwards.”** Companies often begin with idea generation, develop product concepts, and push the products out to the market. Consumer feedback isn't gathered until after the product launch, when requirements that were not addressed become apparent.
- **“Selective hearing.”** Requirements folks lead the customer(s) (e.g., in focus groups) to the answer that the requirements folks want to hear.

- **“Squeaky wheel.”** Some companies listen to only one major customer’s solution or specification. Listening to only one isolated response makes it difficult to extend a product beyond the one customer for whom it was designed, thereby limiting net-new revenue opportunities.

Applying VoC Powered by Contextual Inquiry

Through contextual inquiry, a cross-functional team is charged with defining the bounds of their exploration.

Leading companies like Mercury Marine, Moen, and Moxy Hotels are overcoming barriers to growth by applying VoC techniques powered by an approach known as “contextual inquiry.” Contextual inquiry is an immersive method of observing and asking end users questions in such a way that reveals underlying (and invisible) work structure. Unless observed, most people will summarize their work activities and speak abstractly about tasks because typically their processes are invisible to them. In addition to conducting effective customer interviews and systematically capturing customers’ voices, contextual inquiry helps gain valuable insights through direct observations of customer work. These insights can serve as a basis for prioritized allocation of finite resources to deliver products and services that truly meet customers’ often unspoken yet high-value needs.

Through contextual inquiry, a cross-functional team is charged with defining the bounds of their exploration, including identifying voice of the business (VoB) hypotheses and targeting a diverse set of customers (e.g., happy and unhappy customers; leading, mainstream, and trailing customers; and customers representing potential growth segments). The team then visits representative individuals, observing in-depth behaviors as they engage in work practices. Once the team completes their visits, they analyze the context of product use to gain intimate insight into their customers’ real world. Next, they translate their customers’ voices — and some of their observations — into value-added customer requirements, prioritized based on value gaps most likely to drive high margin growth.

After identifying and validating a customer-centric *value opportunity* set of requirements, the team pilots a minimum viable offering (MVO) with a select few customers. An MVO provides the smallest number of benefits necessary to make a sale, learn from customer experiences with the MVO, and therefore test the VoB's critical assumptions and hypotheses about product scope and viability of price points. Ultimately, the team generates follow-on offerings that solve a growing range of needs for a growing number of customers.

Winning in Partnership with Customers

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So what are the next steps? Go out and leave your office to find growth ideas with your customers in their working world! Your studies in the field enable you to observe how people interact with interfaces in their own current work and future work environment. Real-world contexts reveal behaviors for which you might not be deeply aware. Go beyond mere industrial tourism with VoC powered by contextual inquiry. The goal is to deeply understand users, their missions, and their tasks.

Finally, don't get too caught up in choosing the perfect method and performing one best method correctly. In reality, the optimal approach often involves a combination of methods. Almost every VoC session consists partly of an interview. Sometimes, it's most appropriate to do a contextual inquiry, while at other times, simply observing customers perform their tasks in an uninterrupted manner reveals useful information. Be flexible in combining these methods as appropriate to get the critical customers' environment information you need, and improve your chances of winning in partnership with customers.

About the Author



Scott Stribny is a Cutter Expert and a leading figure in the world of process improvement. With over 30 years' diverse experience, Mr. Stribny is cofounder, President, and Managing Director of Group Atlantic, Inc. His current interests include change management, new paradigms for organizational design, and technology-based competitive strategy. Mr. Stribny advises companies on how to adapt modern software development techniques to fit specific projects and how to effectively transfer new technologies to the system developers within the organization. His accumulated management experience ranges from growth companies to *Fortune* 50 conglomerates in many industries, including systems development, telecommunications, financial, insurance, information services, and manufacturing. He is the former leader of the Chicago Software Process Improvement Network and is an active member of the American Society for Quality, Chicago Quality Assurance Association, IEEE, the Organization Development Institute, the Technology Executive Roundtable, and the Executive's Club of Chicago, recently named one of the three most prestigious business forums in the US. He can be reached at experts@cutter.com.

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