Building a Customer-Centric Organization





There is universal acknowledgement that customer-centricity is important...

...yet few companies are truly customer-centric.



### An organization is truly customer-centric when...



- It deeply understands its customers, their needs, and which are unmet
- Its internal functions are aligned around the customer's priorities; it does not operate in silos
- It consistently makes business decisions that drive ongoing value creation and innovation
- It has a process in place to ensure its resources are focused on what matters most to customers



Why do organizations struggle to become customer-centric? Why do organizations struggle to become customer-centric?

70%

...define the markets they serve through a COMPANY lens 82%

...define the customer's "needs" through a COMPANY lens ...prioritize unmet needs internally—throu gh a COMPANY

lens

88%

92%

...segment the markets they serve through a COMPANY lens How do you build a customer-centric organization?

### Think about your markets through a different lens

Instead of seeing the world through the lens of **what the company is doing...**  See the world through the lens of what the customer is trying to get done.

COMPANY LENS

CUSTOMER LENS

### People buy products to get jobs done.

A job-to-be-done can be:

- A task that people are trying to accomplish
- A goal or objective they are trying to achieve
- A problem they are trying to resolve
- Something they are trying to avoid, or
- Anything else people are trying to accomplish.



Align the organization around helping customers get their "jobs" done better.

CUSTOMER LENS

**COMPANY LENS** 

Markets are defined around products, verticals, geography, demographics, etc. A market is a group of people and the job they are trying to get done.



#### Market = "Group of People" + "Job-to-be-Done"

Defining a market as a group of people with a job-to-be-done, provides a long-term, stable focal point for value creation.



Interventional cardiologist



Restore blood flow in an artery



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Cyber security manager



Protect a website from cyber threats



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Parents



Pass on life lessons to children



## Customer-centricity begins by defining your markets around your customers.



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**Needs** are solutions, benefits, requirements, gains, exciters, specs, value drivers, etc. Needs are the measurable outcomes that people want to achieve when getting a job done.



#### The customer needs hierarchy

A desired outcome is a customer-defined metric that instructs innovators how to help customers get the job done

faster and more predictably (without variation), while achieving the desired result.





#### Outcomes detail job execution at a granular level

A medical device company uncovered the metrics surgeons use to measure the success of a surgical procedure.



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#### Desired outcomes are "customer-centric" need statements

Outcome statements inform all disciplines, are knowable and discoverable, solution independent, measurable and controllable, unambiguous, valid across geographies and stable over time.





### Timeless, measurable, actionable need statements form the foundation for a deep customer understanding

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#### Unmet needs are

features, exciters, delighters, etc. that are missing from the solution Unmet needs are the measurable outcomes that people struggle to achieve.



#### Quantitative research reveals unmet outcomes

Statistically valid quantitative research enables customers to prioritize their needs directly.

	When [job step], how <u>important</u> is it to you that you are able to:				When [job step], how <u>satisfied</u> are you with your ability to:					
	Not at all important	Somewhat important	Important	Very important	Extremely important	Not at all satisfied	Somewhat satisfied	Satisfied	Very satisfied	Extremely satisfied
Outcome 1	0	۲	0	0	0	0	0	0	۲	0
Outcome 2	0	0	0	0	۲	0	۲	0	0	0

Minimize the likelihood of damaging blood vessels along the pathway to the structure



#### The Opportunity Landscape

Opportunity score = importance + max (importance - satisfaction, 0)



Importance						
-	-	-	V	Е	IMP	
5	5	9	47	34	8.1	81%
-	-	-	V	Е	SAT	
12	28	30	17	13	3.0	30%
Opportunity Score						
13.2						



#### The Opportunity Landscape

The analysis reveals with precision where the market is under- and over-served.





### The organization knows which customer outcomes are unmet—and to what degree.



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#### Segments are

personas, use cases, people with different demographics, attitudes, etc. Segments are subsets of people in a market, each with a different set of unmet needs.



#### **Outcome-Based Segmentation**

Using factor and cluster analysis, hidden segments of opportunity are revealed.





# Authentic, distinctive segments bring precision to strategy formulation.



#### Customer data is used to drive business decisions

Teams select which outcomes to address to have the greatest positive impact on the largest customer population. This is the essence of customer-centricity.

	opportunity scores				
Outcome	Segment 1	Segment 2	Segment 3		
Outcome statement 34	12.5	11.8	13.2		
Outcome statement 47	14.1	10.7	12.1		
Outcome statement 72	13.5	14.6	10.9		
Outcome statement 07	11.1	13.7			
Outcome statement 29		10.4	15.4		
Outcome statement 94	10.2		12.3		
Outcome statement 04	14.3				
Outcome statement 44			15.1		
Outcome statement 87		13.9			
Outcome statement "n"					

Opportunity coores

High-leverage opportunities: outcomes that are unmet across 100% of the market

Cross-segment opportunities: outcomes that are unmet in multiple segments; not all

Segment-specific opportunities: outcomes that are unique to just one segment

## Being customer-centric puts you on the most efficient path to growth.

#### A process for customer-centricity

Outcome-Driven Innovation is a process conceived through a customer lens. It aligns the actions of the organization around the customer's desired outcomes—and drives customer-centricity.





#### Staffing the customer-centric organization

SENIOR MGMT OVERSIGHT	STRATEGIST	SENIOR MGMT OVERSIGHT		
STRATEGIST	INSIGHTS RESEARCHER	QUANTITATIVE RESEARCHER	STRATEGIST	
PLAN THE ENGAGEMENT	CONDUCT QUALITATIVE RESEARCH	QUANTITATIVE RESEARCH AND DATA ANALYSIS	FORMULATE THE STRATEGY	

# How do you build a customer-centric organization?

- Deeply understand your customers, their needs, and which are unmet
- Align your internal functions around the customer's priorities; break down silos
- Make business decisions that drive ongoing value creation and innovation
- Deploy a process to ensure your resources are focused on what matters most to customers





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