

Lesson, Workbook & Notes for 2.5

Customer Objective





PERFORMANCE MANAGEMENT THAT WORKS

Lesson Overview

Part 1:

Customer objectives / customer value propositions

Part 2:

3 typical types of customer value propositions
.....

Part 3:

Walk through 11 examples of customer objectives in different parts of the business
.....

Price

Price must be one of the cheapest





Quality

"High Performance" or "Fit for Purpose Quality" Products/Services



Delivery

Availability and on-time

Selection

Range of products and Services



Functionality

Versatile and has Bells and Whistles





Partnership

Long term relationship and building their business

Brand

Want to be associated with this Brand



Who are your customers and what do they want from you?



1 Price
.....
Price must be one of the cheapest

2 Quality
.....
“High Performance” or
“Fit for Purpose Quality” Products

3 Delivery
.....
Availability and on-time delivery

4 Selection
.....
Range of products and Services

5 Functionality
.....
Versatile and has Bells and Whistles

Product/ Service Attributes

6 Partnership
.....
Long term relationship and building their business

7 Image
.....
Want to be associated with this Brand

Source: Adapted from Strategy Maps By Robert S Kaplan and David P Norton

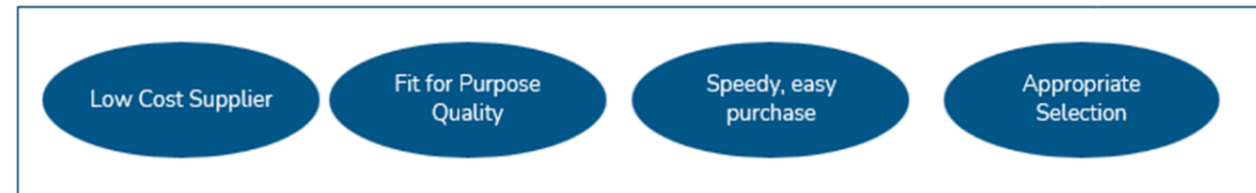
What do your Customers want from you?



Low Total Cost

Deliver a combination of quality, price, and ease of purchase that no-one else can match

Customer Value Proposition



e.g: Toyota; McDonalds; Dell Computers; Walmart

Customer Solutions / Convenience

Build bonds with customers, provide them with a complete bundle of products and services they need

Customer Value Proposition



e.g: IBM; Amazon

Product Leadership

Continually develop products that offer superior performance for customers

Customer Value Proposition



e.g: Tesla; Apple; Intel

Source: Adapted from Strategy Maps By Robert S Kaplan and David P Norton

A formula for writing Objectives

Verb

Adjective

Optional

Noun

Break the rule and Describe it in
“The Voice of the Customer”

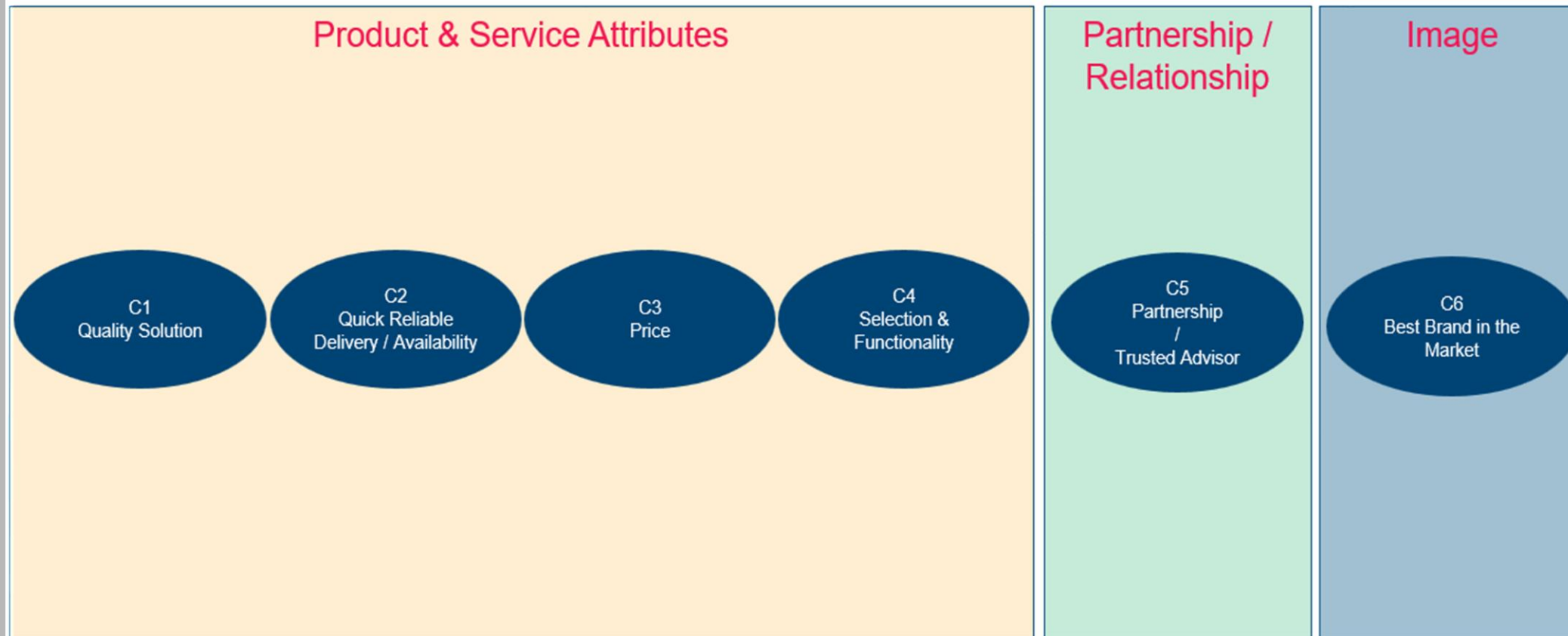
Noun / In the “Voice of the Customer”

Types of Customer Objectives



CUSTOMER

What value do our customers want from us?



Source: Adapted from The Balanced Scorecard (Kaplan & Norton)

Overall Business



CUSTOMER

What value do our customers want from us?



Customer Objectives Lesson, Workbook & Notes

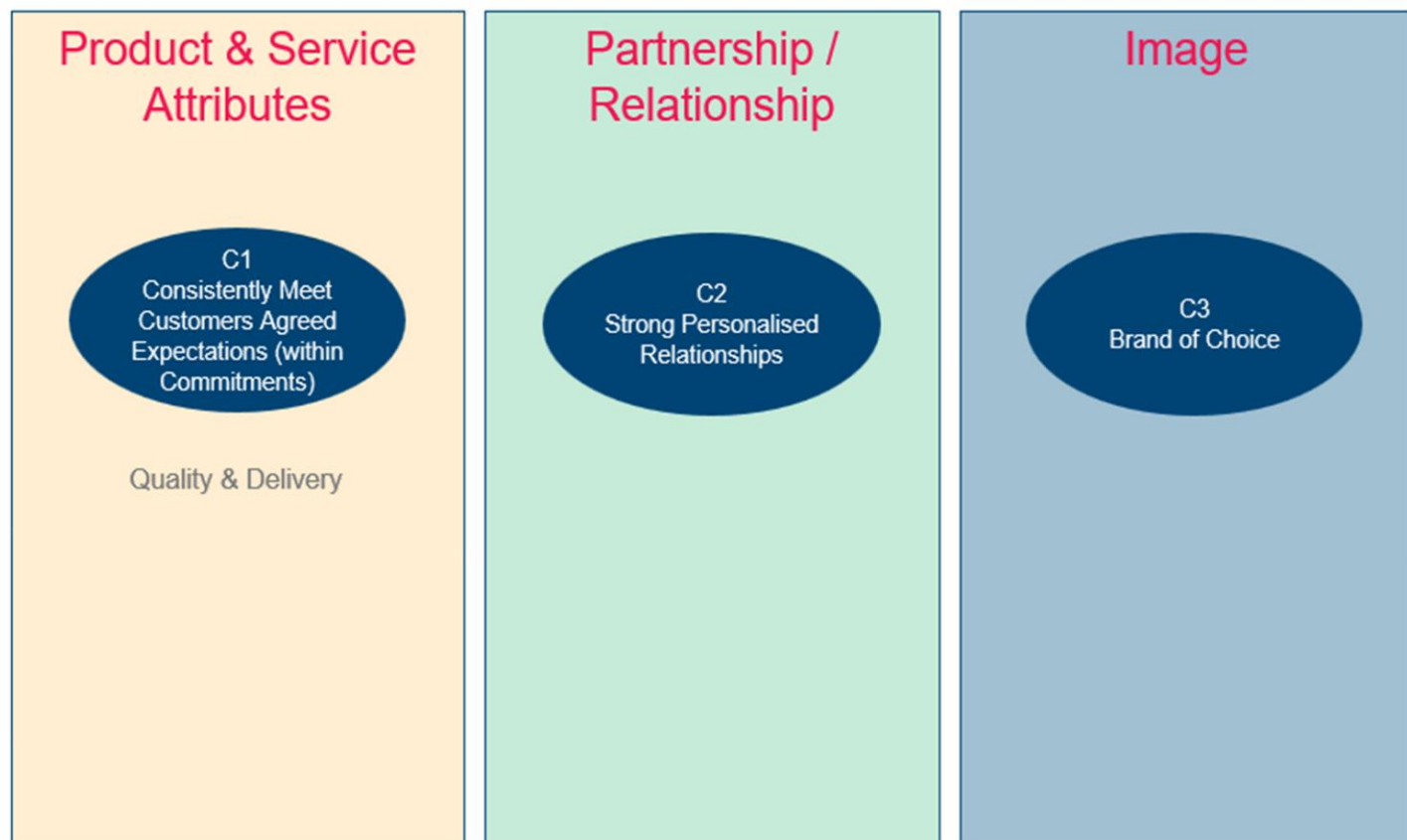


Overall Business 2



CUSTOMER

What value do our customers want from us?



Overall Business - Services



CUSTOMER

What value do our customers want from us?



Supply Chain



CUSTOMER

What value do our customers want from us?



HR Function 1



CUSTOMER

What value do our customers want from us?



HR Function 2



CUSTOMER

What value do our customers want from us?





Finance Department



CUSTOMER
What value do our customers want from us?

Product & Service Attributes

C1 Manage Transactions, Risk and Compliance	C2 Accurate, Timely, and Consistent Financial Information
Delivery	Quality & Delivery

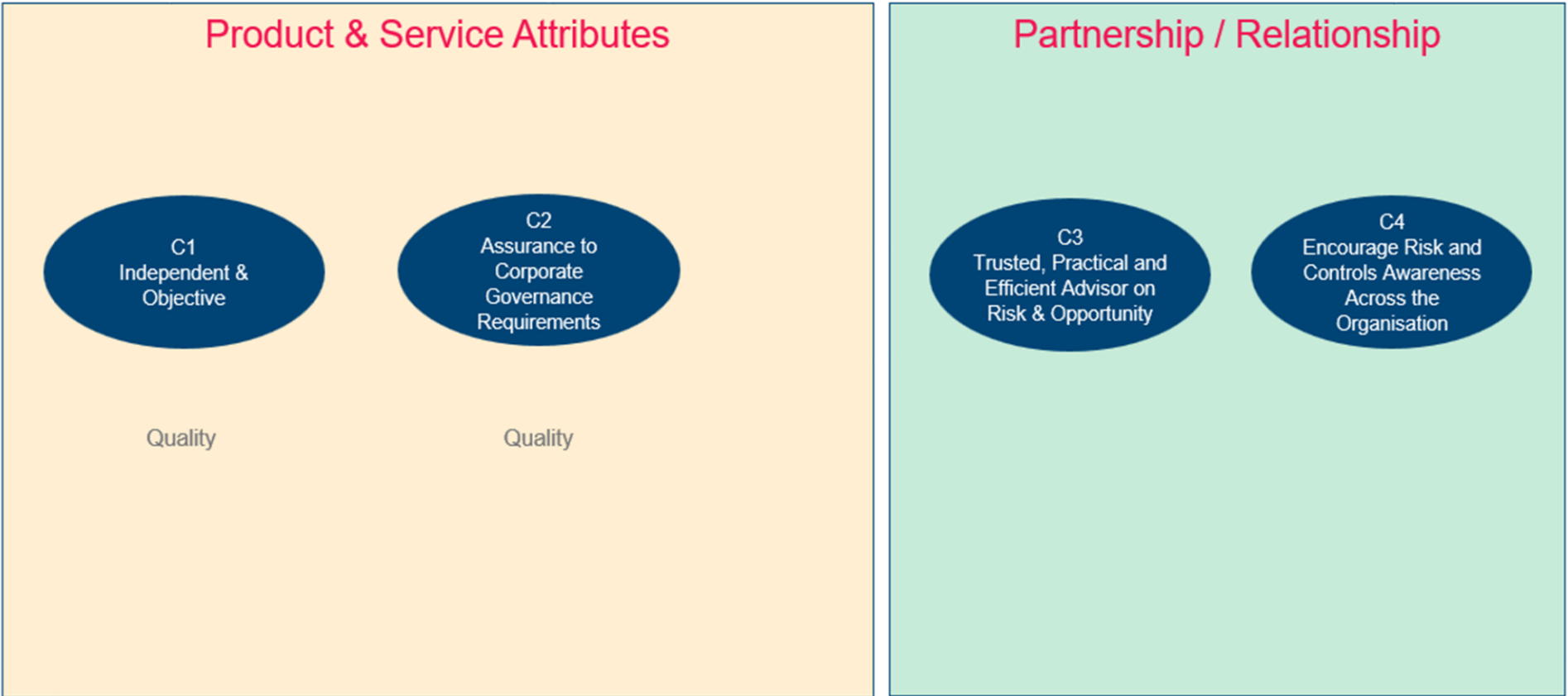
Partnership / Relationship

C3 Provide Advice and Guidance to <u>Maximise Profit</u>
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Internal Audit



CUSTOMER
What value do our customers want from us?



Shared Services



CUSTOMER

What value do our customers want from us?

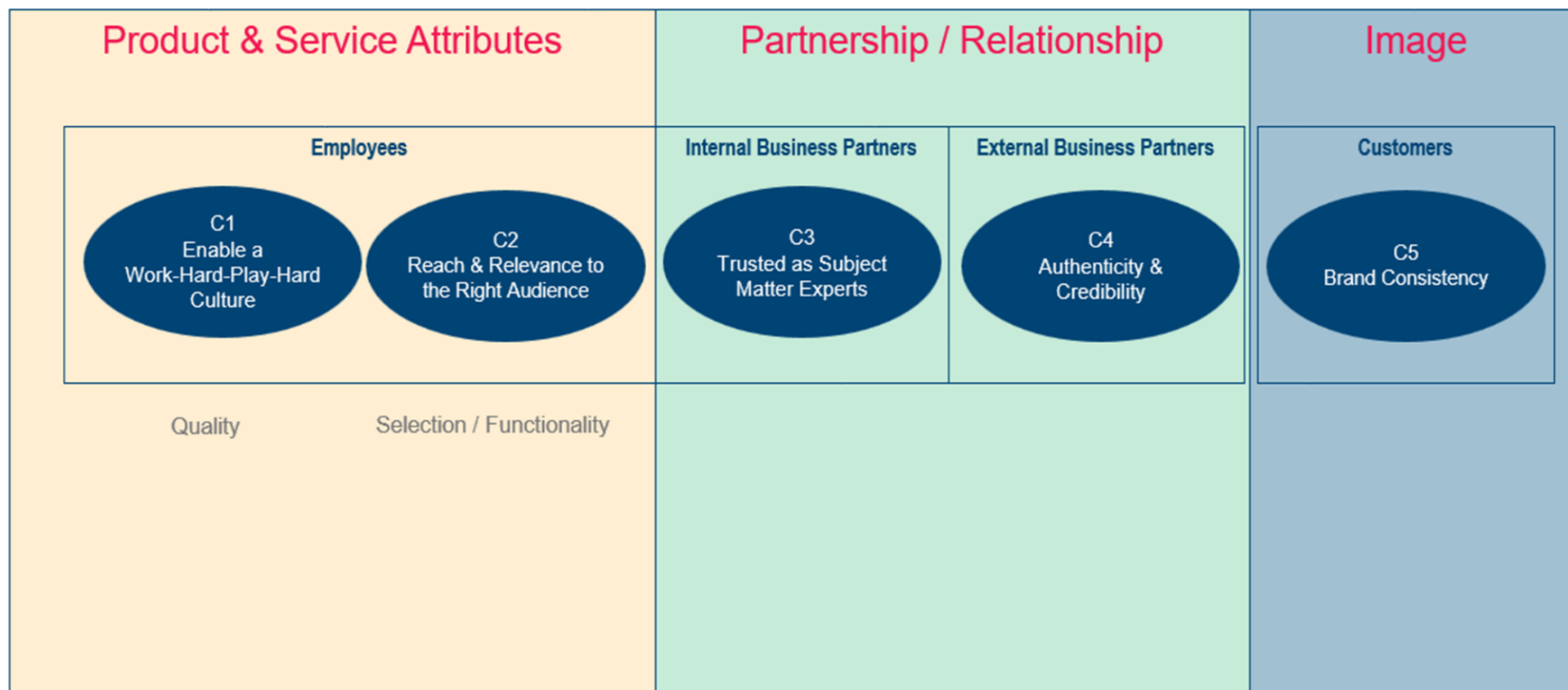


Marketing Department



CUSTOMER

What value do our customers want from us?

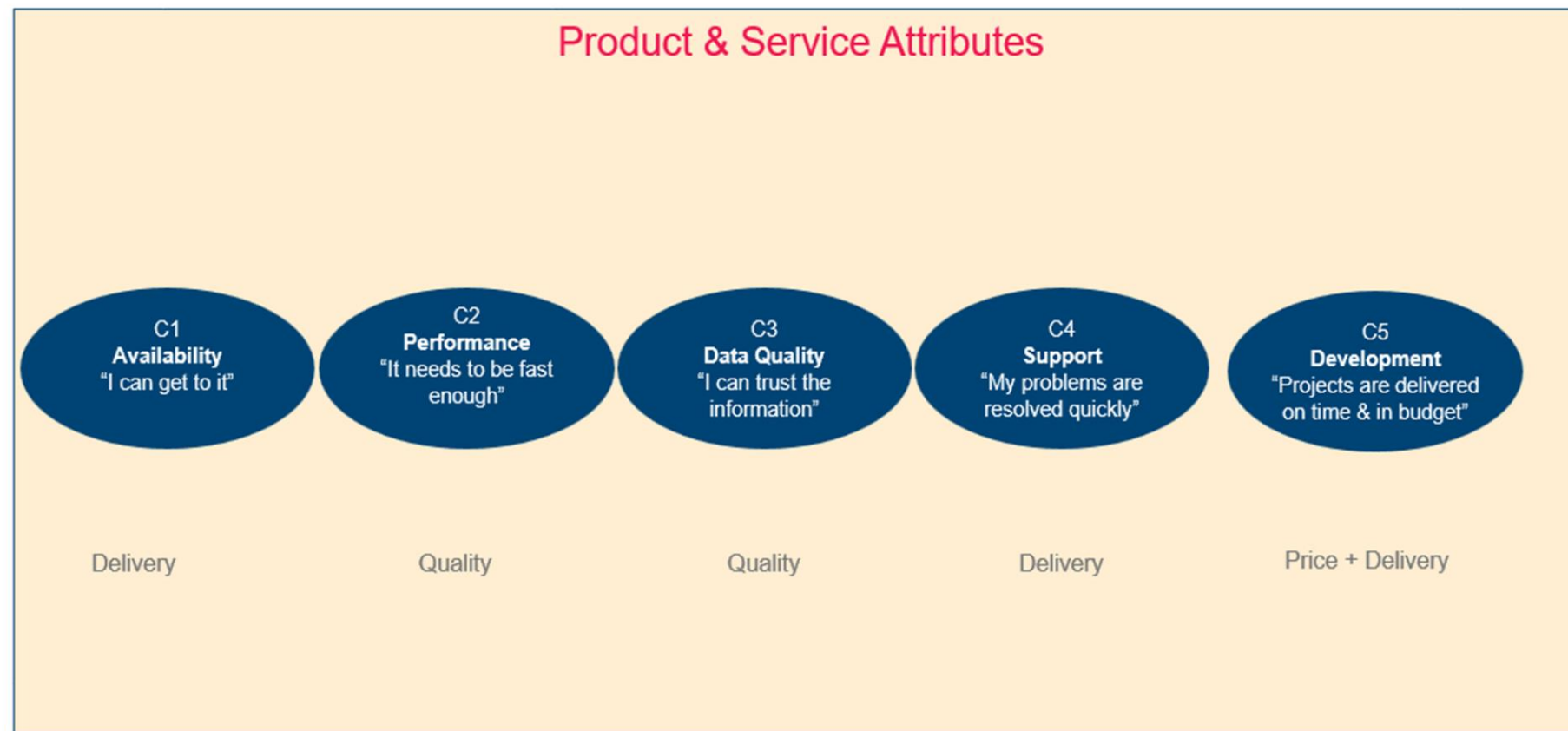


Customer Objectives Lesson, Workbook & Notes

IT Department

CUSTOMER

What value do our customers want from us?



Setting Customer Objectives



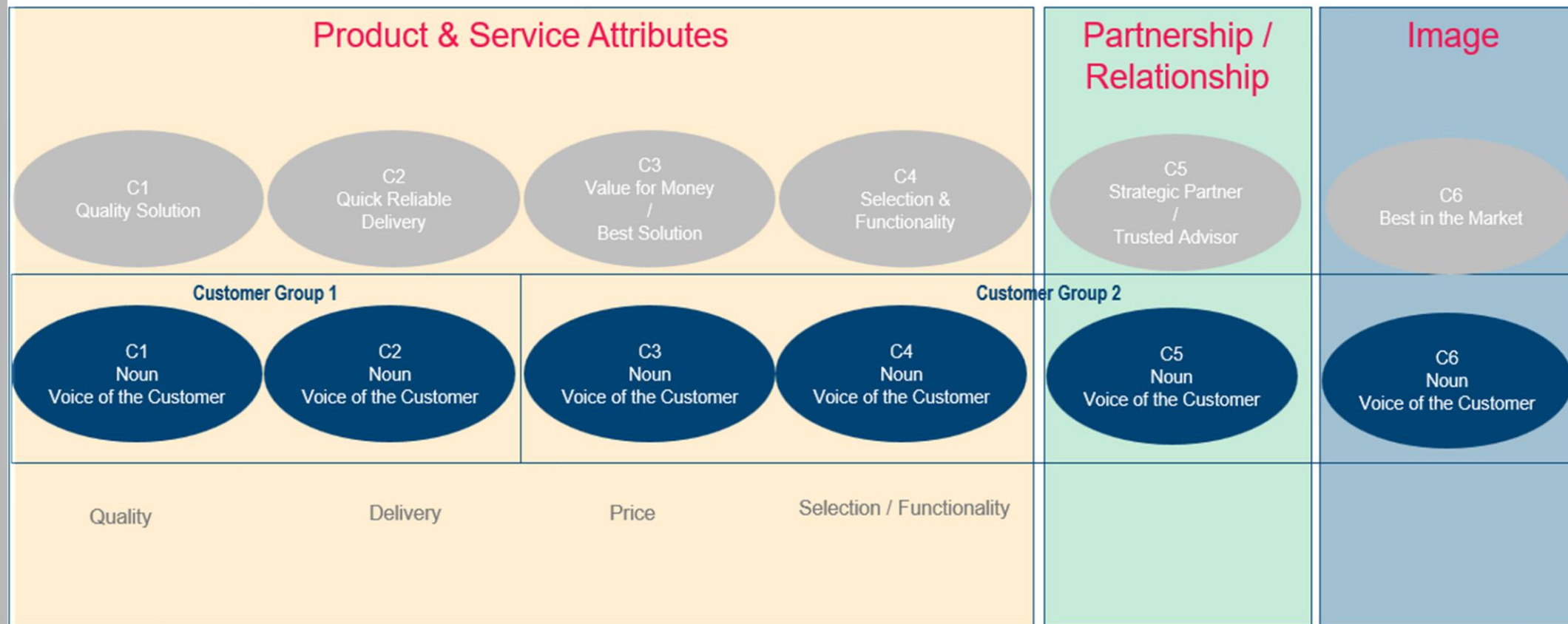
1. You can work in a team or on your own.
2. Download the Power Point template with the customer objective examples.
3. Navigate to the end of the presentation until you find the “Customer Objectives Template”.
4. Decide which company, business unit or department for whom you will set the Customer Objectives. Change the header of the slide to reflect the business unit or the department.
5. Craft between 2 and 5 Objectives in the Blue Bubbles (the grey bubble are there to guide your thoughts).
6. Its not a good idea to copy and paste somebody else's objectives but if you can't think of realistic financial objectives in time you've been allocated, you are welcome to copy and paste the objectives from the examples in the slide deck.
7. Allocate a spokes person to feedback to the group (provided there is sufficient time).

Customer Objective Template



CUSTOMER

What value do our customers want from us?





In Summary

- There are 3 different Customer Value Propositions based on Price, Convenience / Solutions and Product Leadership
- Customer Objectives are typically split between Product & Service Attributes, Partnership / Relationship and Image
- Customer Objectives are normally stated as Nouns and in the “Voice of the Customer”
