
Uncovering Hidden Customer Needs to Grow Your Services Business

An IT Services white paper
presenting practical methodology to
improve your services value proposition

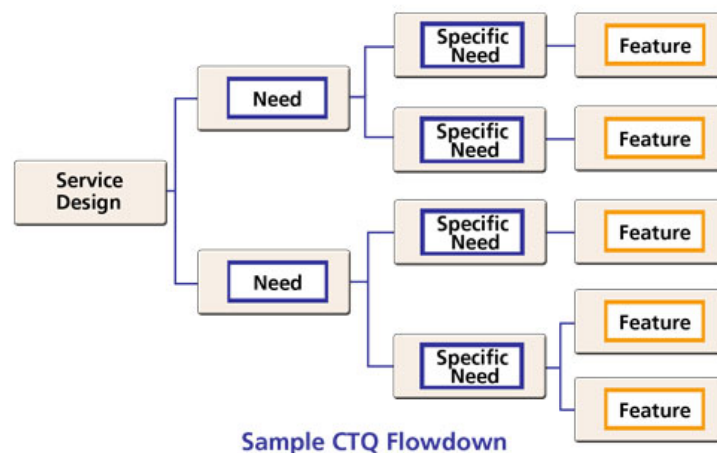
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If you provide services, you know that you have an increasing need to design a competitive advantage into your service offerings. One of the greatest struggles is identifying the features or positioning that will provide this advantage, and then communicating the value to your potential customers.

We've found that the key to growing services in almost any business is to uncover your customers' hidden needs and then design services specifically crafted and positioned to meet these needs. Using a modified Six Sigma technique, specifically adapted for use by service organizations, you can systematically identify areas that are critical to your customer's satisfaction. The underlying technique utilizes a tool called the Critical-to-Quality (CTQ) Flowdown to help translate the Voice of the Customer (VOC) into specific service features. These features, when mapped back against the customers' spoken and hidden needs, can then be positioned to provide a distinct competitive advantage for your services business.



Let's take a look at this specific methodology we can use to uncover hidden needs. We'll follow these fundamental steps to organize the process:

- **Defining the Voice of the Customer (VOC) requirements**
- **Obtaining the VOC**
- **Conducting a Customer Needs Assessment**
- **Designing Service Features**

Define the Requirements

To start the process, it's important to identify where your fundamental customer needs can be uncovered. Customer needs can be determined through customer interviews, sales team feedback, customer surveys, market research, and more. If you are targeting a new market segment, identify sources with your target market characteristics. Come up with a list of contacts and sources that will contribute to your overall assessment.

From there, determine the types of information you require from these contacts. Customer needs can be technical requirements, financial parameters, turnaround times, and much more. Don't narrow your scope too much, as the needs you uncover may provide you your competitive advantage. As an example, if you are considering offering technology installation services, you will want to build a list of companies and people that will be representative of your target market.

Obtaining the Voice of the Customer (VOC)

The next step is to actually obtain the VOC. Begin to craft questions and contact methods to accurately obtain feedback from these individuals. Remember, you're trying to uncover needs, not just validate what you already think. Using the technology installation service example, you might be asking questions about their previous installation experiences, what they need to maintain their installation, who gets involved, etc. You can ask your questions in many ways, but we've found it best to conduct one-on-one interviews. Using this method, you're able to pick up potential hidden needs and inquire about them in more depth.

Once you've gathered the feedback, it's time to analyze, group, and prioritize responses. It can be helpful to survey your customers with these preliminary needs you have uncovered. They can help you prioritize them and perhaps even tell you who they think should be providing the feature.

Conducting a Customer Needs Assessment

Once you've sufficiently gathered the VOC, it's time to create a customer needs assessment. This is where the Critical to Quality (CTQ) Flowdown method is helpful to organize VOC requirements. To use this method, place the customer needs on the left hand side, and then try to dig a bit deeper to describe the needs in more specific terms. For instance, if a need is to have zero downtime during an installation procedure, some possible expansions of this need are ...

1. need users trained on the technology prior to the go-live date
2. need the installation plan precisely communicated to all effected people.
3. need the technology tested

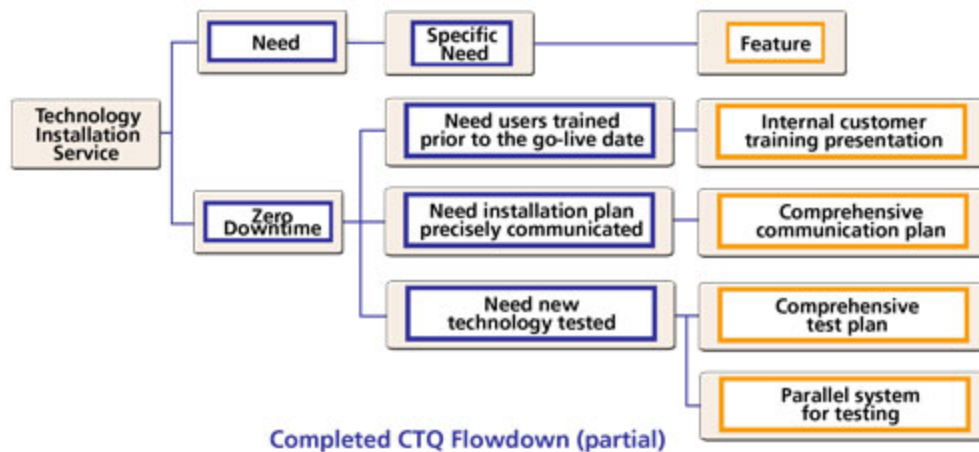
You can see that the idea here is to break down the needs into specific areas so that you can design features that are sure to meet their needs.

Designing Service Features

The final part of this process is designing service features that meet these customer needs. Some features may meet multiple needs, which is all the better for creating an efficient service. Start by looking at the very specific needs identified in your customer needs assessment. Your service features need to meet these needs in the most efficient and cost-effective way possible. Using the previous example, features might include ...

1. an internal customer training presentation for customers
2. a comprehensive communication plan
3. a comprehensive test plan
4. a parallel technology system to build and test the new technology before an after-hours go-live attempted.

The main point here is to create innovative service features that meet your customers' needs.



Summary

This method really does work in helping methodically organize customer needs and mapping service features to meet these needs. We recently completed a customer needs assessment for a global services provider using a detailed version of this methodology. During this process we uncovered a number of additional service opportunities for our client, which they are prioritizing for the next revision of the service. By designing and selling services that specifically meet your customers' spoken and hidden needs, you will seize a distinct competitive advantage. Remember when creating your sales and marketing documents to reference your customers' needs, and how your features are built specifically to meet these needs. By defining the customers' needs and mapping service features to these needs, you can consistently sell a service that customers value and truly need.

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