



Do You Truly Understand Your Customer Requirements?

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Process improvement enthusiasts and practitioners are familiar with the commonly used jargon “The Voice of the Customer (VOC),” “Critical Customer Requirements (CCRs),” “Customer Is King/Queen,” “Customer or Marketing Driven Process Improvement,” “The Customer Is Always Right,” etc. While most recognize the need to understand and rely on the voice of the customers in order to successfully achieve process performance improvements that matter, our observation is that a great number of organizations fail to benefit from a disciplined and structured approach to collecting, measuring, prioritizing, validating, and adequately understanding customer-related information.

Let us consider the critical ingredients of a truly meaningful and useful exercise in understanding customer requirements:

1. **Determine who are the customers of the process on which you’re focusing** – You cannot understand customer requirements for your process unless you first identify the customers whose expectations the process must satisfy. Joseph Juran proposes that the “cast of characters” is diverse. Your customers may be the direct buyers of the services or product outputs of your process (owners, end users, dealers, etc.). They include those who are dissatisfied or those whom you have lost to your competitor. There may be some indirect customers whose needs your process also need to meet, such government safety and environment regulatory agencies, or people behind the scenes who influence the customer. Finally, realize that a customer may be internal to your organization. At its most basic, a customer is someone who receives the output of a process.

If your process has many customers, segment them into categories or families, and then prioritize them using the Pareto Principle (20% of customers provide 80% of revenue, for example). This helps you to streamline the number of customers to be consulted on a regular basis. Prioritizing also allows you to manage the overall scope of a process improvement effort.

In summary, determine the “vital” few customers, whose requirements absolutely need to be met or exceeded.

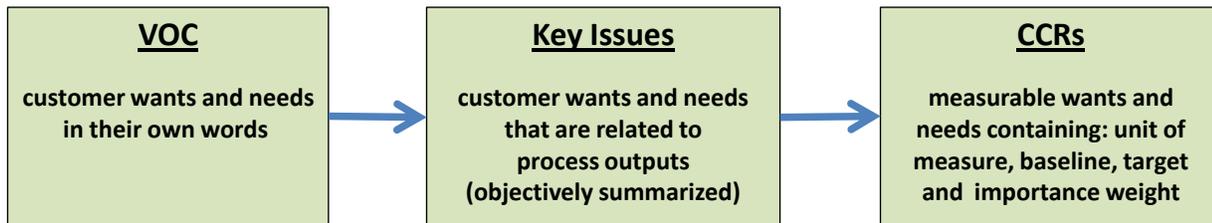
2. **Engage in continuous communication with the identified customers to understand their expectations** - To understand what customers need and want, talk with them, and most important, listen actively to them. Do this frequently! Customer requirements are dynamic and can change very quickly depending on market conditions, the economy, the competition, etc. Address your customers the way they want to be perceived: as people who can be identified by names, phone numbers and email addresses. Furthermore, customers have feelings and perceptions. Capture those feelings and perceptions, then categorize them and understand how they relate to the outputs of the process you want to improve.

How much information should we gather? Seek out customers with the highest level of dissatisfaction. It's very likely that adequately addressing the unfulfilled needs of this subset of customers will create greater satisfaction in the remaining body of customers. The number of customers queried is not as important as the quality of information that you obtain. You don't need to use statistical sampling techniques to determine the "right" number of customers to approach. Your team members have significant technical expertise in the process and its outputs; tap their knowledge of customers to get a representative group.

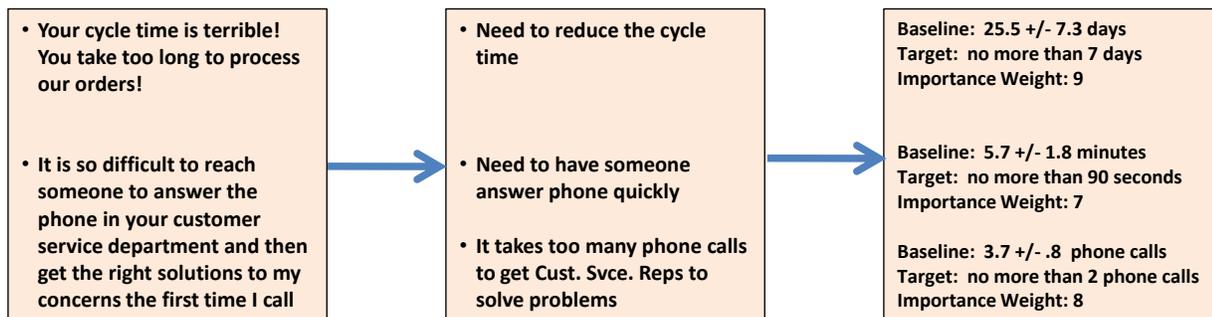
3. **Translate their expressed expectations into measurable requirements** – Frequently, customers – when inquired about their requirements – will express themselves through statements that contain perceptions and emotions. However specific, these statements have no grounding in the process itself; the customers only see the output of the process, and generally don't care about the process that creates it. You need to "translate" those emotional statements to objective and quantifiable requirements that are process related. In other words, invest time and effort in the process of translating the Voices of the Customers into Critical Customer Requirements (CCRs), as illustrated in the picture below.

FIGURE 1

Translating the VOC into Critical Customer Requirements



Examples:



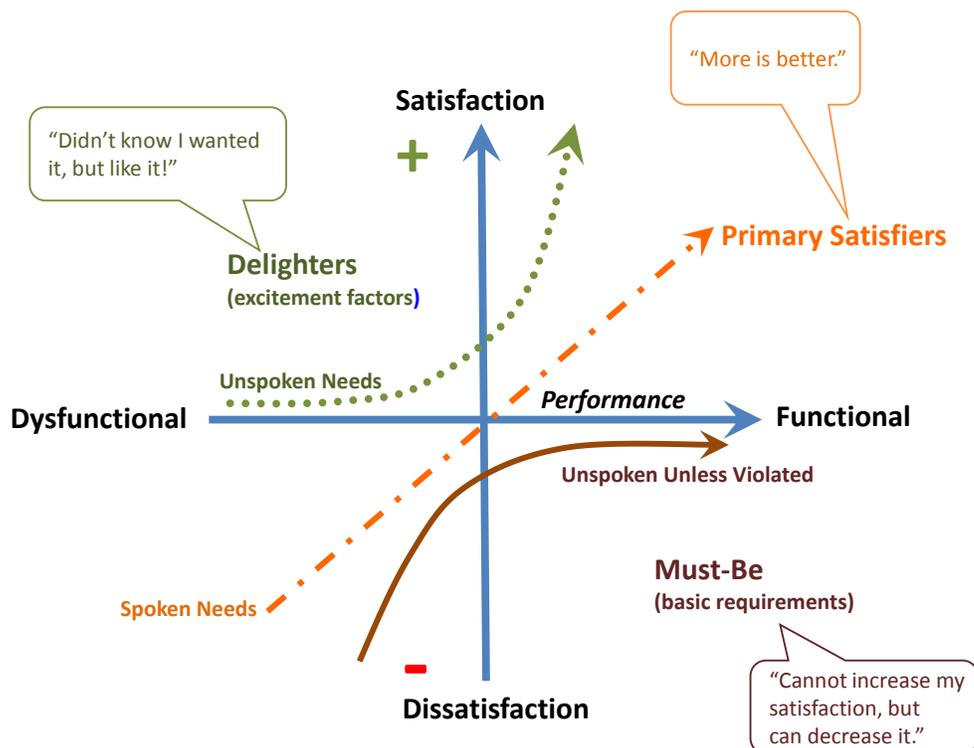
4. **Identify appropriate metrics to measure each customer requirement** – The example in Figure 1 demonstrates that the translation of the voices of the customers produced three CCRs, measurable in days, minutes and # of phone calls, respectively. It is impossible to manage what we don't measure.
5. **Measure the baselines** – After the project team learns how to measure the critical customer requirements, determine their baselines. In the example above, they are respectively 25.5 +/- 7.3 days,

5.7 +/- 1.8 minutes and 3.7 +/- .8 phone calls. Note that the baseline variability is also stated as a critical consideration. Variation, unfortunately, is often ignored in process improvement efforts. Customers do not see the average performance! They only see how you perform for them. Accordingly, address the variability of a process as diligently as you address the process average.

6. **Determine the target values** – Now quantify each critical requirement in a manner that recognizes that variability will continue to occur in the future, although the expectation is that your project efforts will cause it to decrease. From Figure 1, these target values are respectively no more than 7 days, no more than 90 seconds, and no more than 2 phone calls.
7. **Validate translated and measured requirements with customers** – Make sure that the translated CCRs are validated by the customers who provided you with their “voices.” Experienced team leaders may be able to validate the CCRs in the same VOC session; but if you are unable to do so, you must re-connect with your customers. Do they agree with the baselines and target values? If targets are achieved, will the customers be happy and continue to purchase your product or service?
8. **Prioritize the CCRs** – Customers can also help you to prioritize the translated CCRs. If you have too many CCRs, your project scope will be too large. As you consider which requirements are more “critical” than others, ask yourself: which ones should you achieve first? Which requirements are most relevant to the crisis that must be addressed? The Kano Model (Figure 2) below is useful for prioritizing the CCRs.

FIGURE 2

Kano Analysis - Customer Needs Categories



Needs	Description
Primary Satisfiers (More is Better)	Spoken Customer Requirements are called Performance Needs (or Quality).
“Must Be” or Basic Needs (Must Be)	These basic expectations may be assumed by the customer to be so obvious as to go unspoken. If these (spoken or unspoken) expectations are not met, they cause great dissatisfaction.
Excitement Needs (Delighters)	Customers may not ask for things outside of their realm of experience or things “beyond belief”. Conversely, they may wish for “the impossible” and are greatly surprised when it appears. These pleasant surprises are called Excitement Needs (or Quality).

In summary, process improvement efforts begin and end with the customer. Project results, no matter how significant the improvement, cannot be considered successful unless they have addressed the customers’ requirements. Use well-established and credible tools described above to elicit the customers’ “voices” so that the team can interpret the VOC into requirements that the process must produce to satisfy their needs. Accurate knowledge of VOC and CCRs makes the path much clearer to process changes that consistently deliver optimal output for the ultimate benefit of the customer.



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