Developing Products & Services - Customer Visit Programs

Definition
A program of customer visits typically involves visiting at least a dozen customers in a planned and systematic program. A combination of face to face guided discussion with buyers and users and a walk-through the production (or product-use) areas is generally most productive.

Purpose
Customer visits are an excellent tool for new product, service, or market development and are highly recommended, as a way to learn more about customer needs, wants, sources of satisfaction and dissatisfaction. In this competitive environment, it is critical to understand what our customers value and are willing to pay for. Products without important features or performance will not be purchased; and products that have features or performance that customers don’t need will be too costly.

Strengths
• Because customer visits are a field research technique, they are valuable for gaining insight into the customer’s world.
• Closer relationships can be developed with customer
• Because the structure is flexible and the questions open-ended, they allow the opportunity for surprises, which might not be gained by other tools.
• Using cross-functional interviewing teams promotes a shared vision and understanding of what customers need and expect.

Weaknesses
• The greatest weakness of programmatic customer visits is their potential for interviewer bias.
• If sample sizes are small, do not try to report results quantitatively.
• Heavy resource requirements include time and money for traveling.

References and Additional Information
Edward F. McQuarrie, 2011. On Amazon.com

Customer Visits: Building a Better Market Focus by Edward F. McQuarrie (Apr 30, 2008). On Amazon.com


McQuarrie is the VoC champ, but there are others too:

Voice of the Customer: Capture and Analysis (Six SIGMA Operational Methods) [Hardcover] Kai Yang (at Amazon.com)

A must read for every product developer, and it goes well beyond Voc, is: The PDMA Handbook of New Product Development 2nd edition (a 3rd edition will be out on 2012). Kenneth B. Kahn (on Amazon.com)

A brief summary of many customer analysis techniques is:

Two step by step approaches for acting on the Voice of the Customer are:
Burchill, Gary and Brodie, Christina, Voices into Choices: Acting on the Voice of the Customer, Center for Quality of Management, Joiner Publications, 1997

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Methodology
You must plan carefully when beginning a program of customer visits. The following is a general outline of what is involved:

Before the Interviews

1. **Set objectives:** The success of the project is highly dependent on the clarity of the objectives and the visit team's understanding of them. Vague objectives generally result in vague results. Use words that will promote the creation of deliverables such as identify, define or generate; this will encourage outcomes that are useful. Another pitfall is trying to do too much or attempting the impossible. Clear written objectives force the team to make choices regarding the scope of the program. One way to define scope is to use your current knowledge to define market segments that will be investigated.

2. **Select a sample:** You must give careful thought to the selection of interviewees so that you are visiting the right customers. Visit a cross section of customers including existing customers, competitor’s customers and potentially new customers. Interview several people from each customer site including all functions that have influence over the purchase decision.

3. **Select the visit team:** The most successful teams are cross functional and include decision makers, i.e., those individuals who are in a position to make decisions regarding the outcome. Two to three-member teams are recommended: one conducts the discussion and one records what is said. Representation should be from Marketing, Technical (Engineering or R&D) and Sales to ensure multiple perspectives and builds consensus regarding customer needs.

4. **Devise discussion guide:** Building upon the project objectives, develop a 1 to 2 page discussion outline that will meet the program objectives through open-ended questions. Create a logical flow of conversation, group similar questions into sections and keep it simple. Emphasis should be placed on asking customers to identify problems or desired outcomes, avoid asking for specific product or service solutions until the end of the interview. See outline of a typical discussion guide below.

5. **Obtain Local Sales Support:** Make sure the local sales representative understands the purpose of the visit, after all you are interviewing “their customer”. Local sales representatives can provide a valuable perspective on the customer's current situation.

6. **Send a confirmation letter:** A confirmation letter with a simple agenda to the customers who have agreed to be interviewed helps the customer understand that the visit is not a sales call, but a chance for them to be heard and prepare for the interview.
The Interview Process

7. **Conduct interviews**: This technique is based upon logically flowing discussion, which focuses on the customer’s needs. The discussion leader must probe for problems; when the interviewee provides solutions, the discussion leader must probe to determine the underlying problem. Don’t try to “sell” a solution – emphasis must be placed on listening. You should expect a customer visit to last between 1 ½ and 2 hours. Spend time out in the plant where people are using the product. Observing products in use will spark new ideas and allow you to see problems the customer is unable to describe.

8. **Debrief the team**: Immediately after the visit, the team should debrief and record everyone’s perceptions of what was said. It is also a good time to discuss surprising results and adjust the discussion guide if necessary.

After the Interviews

9. **Check your direction**: Many times the interview process will reveal surprises or unexpected results. This is a good time to revisit your original objectives against what you discovered during the interview process. A refinement here may be necessary to determine the best method of analyzing the results.

10. **Identify key customer concerns**: Use the notes from the interviews to identify themes of key concerns, problems, needs and proposed solutions. Grouping the information in tables based on market segment, customer type (purchasing, engineering, etc.) can help organize the information and identify themes.

11. **Create a functional requirements document**: This step translates the customer’s needs into product functions (performance, capabilities, etc.) or what the product or service will do for the customer. Avoid mixing functions with solutions.

12. **Prioritize requirements**: Many times it is not possible to meet all of the requirements simultaneously within a single offering. Prioritizing the functional requirements will provide guidance to the product design/development team when tradeoffs become necessary. This can be done based on the interpretation of the completed customer interviews or for large projects a second round of interviews or surveys (phone or mail) may be necessary.

13. **Generate ideas**: Use brainstorming techniques to develop a number of solutions, including a diverse set of individuals will create a variety of solutions.

14. **Evaluate ideas and finalize solutions**: Evaluate the ideas based on criteria deemed necessary for success, such as market attractiveness, unique customer benefits, strategic fit and technical feasibility. Different solutions may be required for different market segments.

15. **Confirm the value of the solutions with key target customers**: For high risk projects, revisiting customers to confirm the value of the offering may be appropriate.
16. Finalize Product Definition: Continue as outlined in Stage 2 of Stage-Gate by developing an Integrated Product Definition (use the Stage-Gate template). This must be a Project Team activity – all party agreement and sign-off. Then Build Business Case and Go to Gate 3 ready for Development.
Outline of a Customer Discussion Guide

Dividing the discussion guide into sections is helpful in organizing the discussion and the results. A typical outline for a discussion guide is shown below. This should be customized for each visit depending on the objectives. The key to a good customer interaction is “listening” and having a “conversation” using the notes below as a guide. As the conversation flows, try to follow the general sense of the outline, but let the customer speak their mind. Use open-ended questions, a good discussion is not a series of specific questions.

1. **Interview Introduction**
   - Describe the purpose of the interview, emphasis on listening to the customer.
   - Explain the interview process and how long will it take.
   - Describe how the information will be used.
   - Discuss confidentiality if required.

2. **Current Situation**
   - What kinds of applications for [your product type]?
   - How often are [your product type] purchased and what type?
   - What is the process for specifying and purchasing new [your product type]?

3. **Perception of Current Offerings**
   - What are the problems in buying, using and supporting [your product type]?
   - Are there any limitations or shortcomings of the [your product type] you use?
   - What problems are you having with your current [your product type] suppliers?
   - What do you like about the [your product type] you currently buy? Why is this important?
   - What don’t you like about the [your product type] you currently buy? Why is this important?
   - What do you like about your current [your product type] suppliers? Why is this important?

4. **Desired Improvements**
   - What aspects of the [your product type] purchasing process should be improved? Why?
   - What would be the benefits of an ideal [your product type]?

5. **Vision of the Future**
   - What are the trends or changes in your industry?
   - How is the application for [your product type] changing? How will that affect your needs or use of [your product type]?
   - Do you anticipate your RFQ, decision making, or purchasing processes to change?
   - Will your needs for [your product type] or service change in the future? How?