

# Customers Can't Always Get What They Want, But You Can Give Them What They Need

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For a long time, most of us have been using "requirements" and "needs" interchangeably without realizing that their meanings are not identical. Just recently, a few forward-thinking organizations have begun recognizing that, as far as their customers are concerned, requirements and needs can be quite different.

In today's world, requirements are a given...the "table stakes" of any customer/supplier relationship. They include tangibles such as quality, delivery and price. Needs, on the other hand, are intangibles that reach beyond requirements and aren't typically discussed at the negotiating table and most often remain unexpressed by the customer. With most of today's suppliers, quality is already a given. Time and price are the "negotiable" items.

Each of these requirements, however, may be built upon unexpressed customer needs. For example, a customer may insist on just-in-time delivery because he doesn't want to worry about managing inventory. The supplier who can uncover that need, get it on the table and address it can gain or retain a customer on this leverage point, and he positions this capability as a barrier to all future competition.

Leverage is the key. The goal is to uncover needs that can position your company as different from the competition. Implemented by you, the solutions create a wall for your competitors.

## **Making the most of leverage.**

The identification of leverage points can trigger process improvement or re-engineering. When the gap of improvement between a customer's needs and the generally accepted requirements is small, process improvements should be utilized. If the gap between needs and requirements is large, re-engineering will be necessary. The trick is to make sure that what you perceive to be the needs of your customer are the actual needs. The last thing you want to do is undertake costly changes to accommodate perceived "needs" that don't really matter to the customer. Uncovering legitimate needs that can be leverage point opportunities requires systematic analysis employing a three-step approach.

### **1. Intensive Study**

Before putting new stakes on the table, you must do some background research. After all, it's human nature to want just about everything proposed. Wants, however, are not to be confused

with needs. You must ask some key questions in order to determine if needs are leverage points.

- Why are the current steps performed?
- Which underlying rules and assumptions support the structure of the current process?
- What is the necessary order of steps? Why?
- What would happen if current steps were performed differently or not at all?

## **2. Focus groups**

Once you have formulated your concepts, take them before focus groups to further explore your customers' perspectives. In addition to the previous questions, the focus group should be asked:

- What knowledge and skills are truly required?
- Are controls and administration sensible?
- Is the work being done truly adding value?

Testing possible leverage points with focus groups allows you to refine them and get a better understanding of your customer needs.

## **3. Surveys**

It's important to verify your focus group findings by testing them with a wider audience through customer surveys. A carefully formulated survey will enable you to narrow and validate the definitive answer to the questions you started with. The goal is to identify what are the true leverage points for your company?

### **Watch those walls.**

This strategy of using needs to create leverage already is quietly in play in a number of industries. Countless businesses, however, are playing their market game by outdated rules. As a result, they suddenly hit a wall of new needs and are left stunned and bleeding. They didn't even see it coming. There also are a number of businesses that manage to spot walls that lie ahead and, for the time being, are able to scramble over them. Finally, there are those for whom the walls never seem to apply. They are the ones who do their homework, uncover those needs and leverage them. By doing so, they build the very walls that shut out competition.