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Lesson 1 - Step 1: Get focused on the customers

Transcript

Let's start with Step 1, get focused on the customers. This is not a difficult step, but it is a perfect step to get your team warmed up. It's simply about deciding who the team's customers are, but doing this in, I guess a slightly unusual way, which we'll come to. The real idea though is start the measures conversation by looking outward, looking beyond the team, beyond the work that they turn up each day to do.

Now, honestly you could consider other stakeholders as well, stakeholders other than customers I mean. Like the business or organisation itself, suppliers and partners, employees, or even external communities. And, in time you probably will consider those other stakeholder groups as well when you help your hard to measure teams measure in a more sophisticated way, but I'm going to strongly recommend that you start with customers, because it's the easiest way for your team to reengage with their purpose and find their leverage. So, of all the stakeholders to start with, customers are the easiest, the most sensible, and it's going to help your team understand what they do the easiest.

Step 1.1: What are the team's outputs?

I mentioned that we're going to go through several case studies… now the first one we're going to look at is a research team. In fact, it's a scientific research team that focuses their research in the agriculture sector; in particular they're interested in sustainable agriculture, so their research is all about, "How do we make agriculture a lot more sustainable? Better for the environment? Better for society?" et cetera.

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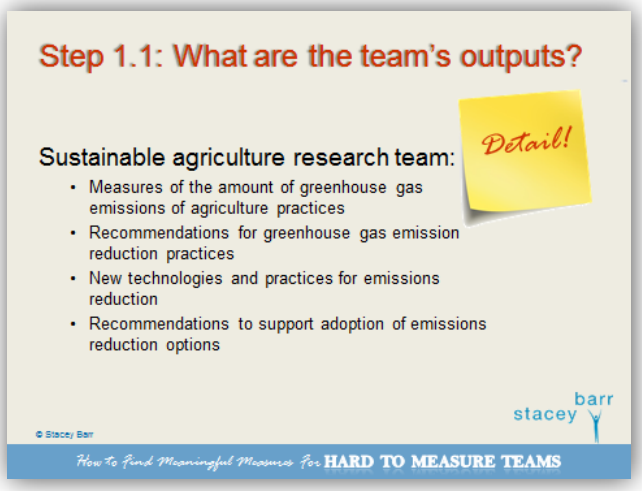

Now, this particular research team works in a large federally funded scientific research organisation. The focus of the team's research is making agriculture more environmentally sustainable and specifically in the area of greenhouse gas emissions. This team really struggled to find meaningful measures of their performance, given the lack of control that they have over actual greenhouse gas emissions. They are a team that is very comfortable focusing on the end outcomes of their research, which is quite unusual for a research team, but because it was so far outside their circle of control they were very uncomfortable about which measures were going to be useful for them, and meaningful for them to assess and improve their own performance.

Step 1.1 is to identify what your team's outputs are. Now outputs are different from outcomes, and we've all got our own definitions of those differences, but I'm going to give you my simple definition. An output is something that is the result of a process that you can detect in some way – you can touch it, you can see it, you can hear it, but you can define it, you can say, "This is the product of this process." It's different to an outcome, because you can't really know what an outcome is until someone has taken that output and put it to use, or allowed it to affect them in some way. The outcome is that effect. The outcome is how that output has changed the endeavours or the results of the person or group of people who have used that output. We don't have to worry about outcomes at this point in the process, now we will, we'll come to it, but right now when you're getting your team just starting to think about who their customers are, a great place to start is simply to list their output, what do they produce?

For our sustainable agriculture resource team there were for four specific outputs that they produce. The first one, interestingly enough, is an output that happens to be measures. These measures are measures of the amount of greenhouse gas emissions of agriculture practises, specifically. So, in agriculture they wanted to figure out, "How do we measure greenhouse gas emissions from…" I don't know; cow burps? You know, one of the outputs of this research team is ways to measure that. Another is recommendations for greenhouse gas emission reduction practises, "How can we reduce the greenhouse gas emissions from cows burping?" for example. Their third output was, "New technologies and practises for emissions reduction." And, finally, "Recommendations to support adoption of the emissions reduction options," and what that means is recommendations for how let's say cattle farmers can take these emissions reduction technologies and practises and integrate them into their normal

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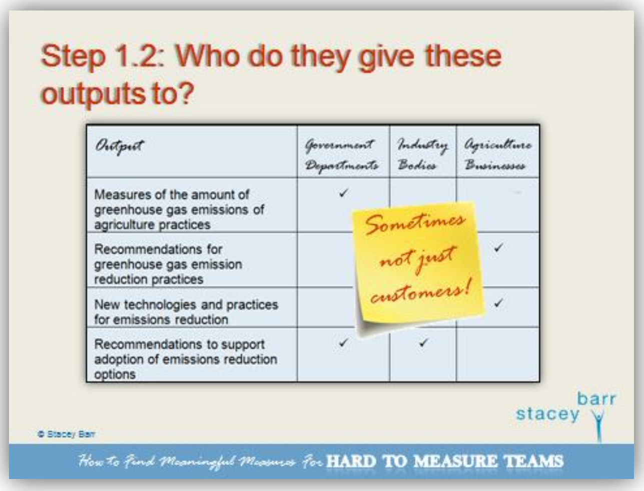
operations. So, four very specific outputs there for our sustainable agriculture resource team.

A little reminder, you don't have to worry about outcomes right now, the outputs that we're listing here is the starting point to identifying who our customers are. When we understand who the customers are, then it's easier to work out the outcomes. And we'll deal with that in Step 2.

It is important that when you write your team's outputs that you're not vague. Don't just write things like 'reports,' or 'software,' or 'advice,' elaborate; put some detail around those outputs, just like the sustainable agriculture resource team have done here. You can even be a little bit more elaborate than they have been, if it helps. Don't dwell too long on this, get it done with a little bit of speed, but don't let that speed rob you of rich enough detail for the team to really understand what is they produce.

Step 1.2: Who do they give these outputs to?

Alright, Step 1.2. So, after you've identified your outputs the next thing to do is to think, "Well, who does the team give these outputs to?" And of course this is asking the question, "Who are our customers?" But, it is easier to work out who those customers are when you can consider, "Well, who do we give these outputs to?"



The first output that our sustainable agriculture team had was, "Measures of the greenhouse gas emissions of agricultural practises." When they thought about, "Who do we develop these measures for?" straightaway they knew it was government departments, other government agencies who are interested in the environment, or interested in agriculture, that want to be able to understand to what extent is agriculture contributing to greenhouse gas.

Their second output was, "Recommendations for greenhouse gas emission reduction practises." Now, those recommendations absolutely were for agriculture businesses, that is who those recommendations were written for and designed for, and who they really wanted to give them to.

"New technologies and practises for emissions reductions," two customers there, one is industry bodies, and another is their existing customer that they've identified, the

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agriculture businesses. Industry bodies are bodies that represent agriculture. So, let's say an agriculture business is a cattle farm, then an industry body might be the Meat and Livestock Association.

The fourth output is, "Recommendations to support adoption of emissions reduction options." Now, these recommendations are for government departments and industry bodies specifically because it's the government departments and industry bodies that are going to go and work with the agriculture businesses to have these options integrated into the daily operations of running a cattle farm, for example. The research team isn't going to do that, but the government departments and the industry bodies are going to, they're going to have groups of people that go out and work with farmers to help them identify how they can put a new practise in. And it may be for reducing the greenhouse gas emissions from cows burping, it might be about introducing a new cattle feed that produces less gasses when it's being digested by the animal. So, industry bodies are going to assist with that, and so are government departments.

So, you can see by doing this kind of a little table, if you like, it can make it just a little bit more logical and easy to identify who the different customer groups are. It may well be that your team has just one customer, and that's fine. It may be that your team has five or six customers, and in that case I would say maybe prioritising and only looking at one or two of them to start with on their first go through this process of finding meaningful measures for hard to measure teams.

Remember though that you can ultimately consider adding additional stakeholders to customers as well. Owners, which are executive team, or board of directors, or shareholders within the organisation or business that the team is a part, for our research team here it might be the executive team of the research organisation that they're a part of, that they would be owners, and they would be a stakeholder too. Incidentally, it's through the owners' stakeholder group that the strategy of the organisation is developed, and by considering their needs and what the strategy currently is, that can help the team identify any particular results that are important for them to focus on to align themselves to the current strategic direction.

Employees - they may think about that stakeholder group. And, a really good example here is the research scientists themselves are career scientists, and publishing is really important to them and developing their own credibility, or increasing their own credibility over time is quite important to them. So, they're some results that maybe quite relevant for the employee stakeholder group, in this particular case.

Partners and suppliers – it could be argued that government departments and industry bodies are really partners, as opposed to customers of the research team. You don't have to get caught up in those arguments, there isn't always one true answer, if at the moment they feel like customers to the team, then leave them as customers. If later on when they expand to think of other stakeholder groups they change their mind about that, that's fine too. No big deal.

And the other stakeholder group I mentioned before is the community. So, in our research team's example the broader community is possibly the local communities that

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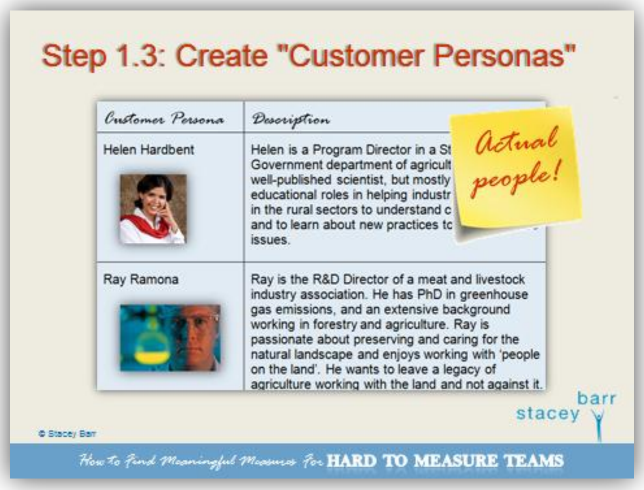
live around the farms with the cattle, so they'd want to know that any practises for reducing greenhouse gas emissions were not going to have a negative or deleterious effect in the wider community. I'll think up a funny example, if introducing a new type of feed for cattle certainly succeeded in reducing greenhouse gas emissions from the cows burping, but caused a terrible mess at the other end of the cow, and that created a different kind of gas that the local community found quite unpleasant, then that would be an important impact to consider. I'm sorry if that was a little bit low brow. It's the first one that came to my mind. And, be honest, it came to your mind too, I'm sure.

Alright. So, yes, you can consider broader stakeholder groups here. For the first time at least that you take your hard to measure teams through this process, don't do it. Just think about customers alone. Get your team capable of measuring something meaningful before you try to lead them to measure everything that's meaningful.

OK, lovely. Step 1.3 is where we're going to now.

Step 1.3: Create "Customer Personas"



This is about creating customer personas, and customer personas is a term, an idea, that my colleague and PuMP® consultant, Mark Hocknell taught me. I love it because it really does bring your customer to life. Rather than referring to your customers as a 'customer segment' or a 'market', it helps you to refer to them as people. Now those people or personas will represent a market, absolutely, or a segment, but it's easier to have a relationship with them when you see them as people.

Now in this particular case our research team, this sustainable agriculture resource team, decided to focus on a couple of customers to start with. One is the customer segment of government departments, which you saw in the slide previously. Now, rather than saying, "Oh, this is important to government departments," instead they said they decided to create a customer persona called 'Helen Hardbent' and they've described who Helen is. Helen is a program director in a state government department of agriculture. Helen is a well-published scientist, but mostly enjoys her education roles in helping industry and business in the rural sectors to understand current issues and to learn about new practises to address those issues. It's so simple, really basic, now

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we understand more about who that government department customer segment really is. It's people like Helen.

Likewise, 'Ray Ramona' is the R&D Director of a meat and livestock industry association. Now he has a PhD in greenhouse gas emissions, and an intensive background working in forestry and agriculture. Ray is passionate about preserving and caring for the natural landscape, and enjoys working with people on the land. He wants to leave a legacy of agriculture working with the land and not against it. We're really getting a sense of who Ray is, and Ray, as a representative of industry associations, helps us understand the kinds of people that we really want to help in those industry associations.

Now the basic ingredients of a customer persona, as you can see on this slide here, is simply a name and a description that tells you several key points about the persona that are relevant to the services you provide them. I've included some photos here. They're not photos of the real people, but you can do that too. You could create a photo for your customer persona as well, that really does visually bring them to life as well.

Now, in naming a customer persona you can use a real name, if that particular person is OK with it. Or, you can make up a name, but the idea is that you base the customer persona either on a particular customer that you know, who's probably a near-perfect match to your ideal customer, or based on a set of characteristics of your ideal customer. It doesn't matter which way you go, and again, you're not labouring on this, it's just a nice, fun, natural engaging way to identify who the team's customers are in a way that they can connect with them.

More examples…

Let's just consider a few other little examples while we're here before we wrap up Step 1. The customers for a software development team, well one of them is obviously going to be the end users, the people who are using the actual software itself. The software development team probably produces certain outputs to those end users, things like the software, user guides, help desk support, and software updates. And maybe they'd create a customer persona called 'Sally Sorenson' again, a name just off the top of my head, I'm making this up. And Sally is an admin support officer who works for a high-flying, high-profile, hard-

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working executive who has a lot of very fast and hard demands from her in being able to manage his time, and his travel, and his meetings, and manage all of the information and research that he has. So, Sally needs software that helps her find things really quickly. She needs help to be able to respond very rapidly to her boss. So, that's who Sally is.

An administrative support team may have a couple of different customers – managers, and also project officers. So the admin support team might produce outputs for managers like calendar appointments, connecting calls, hiring cars, booking airfares, typing up notes, organising meetings, et cetera. For project officers there might be some of those outputs, but there may be some different things as well, like booking meeting venues, but not necessarily organising the whole meeting.

A compliance team may have few different customers; they are a team within an organisation that make sure that organisation is complying with certain legislation or regulatory requirements that might be industry-specific. So, for the executive team of the organisation they work with, the output they produce for them might be compliance risk assessment. For managers within the organisation that they work with, in doing compliance testing, those managers might get outputs of compliance reports as well as compliance recommendations. And finally, the staff that the compliance team might work with, the output for staff might be actual assistance in complying, so compliance assistance, help, coaching.

So that essentially is Step 1, about getting focused on the customer. It's about identifying the outputs that the team produces, who the customers are that receive those outputs, and then creating customer personas for those customers, to bring those customers to life in a sense for the team. This is an important first step before you can go to Step 2. Obviously the steps are in order for a reason, but you really need to know who the customers are before you can move onto Step 2.

End of transcript.