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Lesson 2 - Step 2: Pinpoint customers' priorities

Transcript

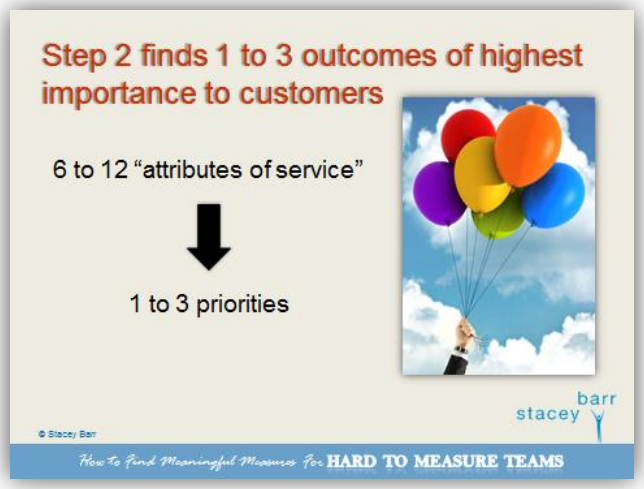
Step 2 is about pinpointing customers' priorities. It's about understanding of all the things that could matter to customers right now which things matter the most, what things should the team focus on most.

Now, I have worked with a manager in the past who said that, "Everything that matter to customers should matter to us," and really he just didn't know how to prioritise and ended up having a nervous breakdown and running his team ragged, trying to improve absolutely everything, it doesn't work like that. You work much better when you can focus on the fewest number of priorities.

So, we're going to look at coming up with only just one to three outcome that are of the highest importance to customers.

Step 2 finds 1 to 3 outcomes of highest importance to customers

It's important that we start with what matters to customers before we look at what are the things to measure for a team. I mean you just don't start with measures, it's jumping in way too early. If we understand what matters to customers it gives us clues about what should matter to the team.



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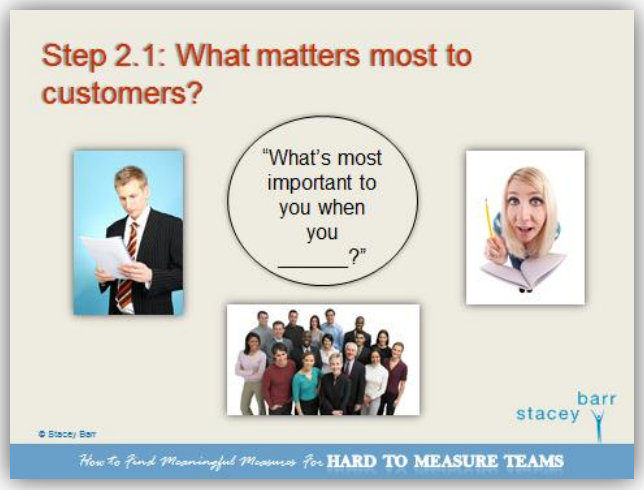
Now these priorities are chosen by measuring two important things. Firstly, we need to figure out what are usually half a dozen to a dozen attributes of service. Now, these attributes of service are different aspects about what your team does for its customers that matter most to customers when they're using that kind of service. From those six to twelve attributes of service we can identify the one to three priorities, and like I said, we do that by measuring two important things.

But, firstly we've got figure out what these attributes of service are. And, if you like you could call them a short-list of potential priorities, these attributes of service, but basically they're a list of the most important things that matter to customers.

Step 2.1: What matters most to customers?

Step 2.1 is to answer that question, "What does matter most to customers?" You can think about Step 2.1 as qualitative research, before we get to the quantitative thing of measuring those two important things that I said before. We want to find out what things are most important to customers about the type of service that your team provides them, and you do that by asking a very simple question, "What is most important to you when you ___?"



Now, I'll give you some examples of how the 'blank' works. For a research team, their question might be, "What's most important to you when you commission research?" For a training team, a team that provides educational programs, their question might be, "What's most important to you when you take training courses?" For a freight business the question might be, "What's most important to you when you use a freight service?" For a legal team the question might be, "What's most important to you when you seek legal help?" For an analytics team the question might be, "What's most important to you when you use analysis to help you solve problems?" For educators, of children for example, like primary school or high school educators, their question could be, and they'd be asking parents this question, not necessarily the children, "What's most important to you about your child's education?" And finally a discovery team, a discovery team might work for a mining company and they're looking for new mines.

There are three different ways that you can do this qualitative research, that you can ask this question and gather the data.

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The first method, I call it the one question survey. Now, you can do this by email, or telephone, or even in person, whenever you happen to interact with a customer, or you can get someone else to do it for you as well. Sometimes that works out better because often customers aren't particularly happy in telling you what they really think, because they're afraid of offending you. But, if you really are asking the right question, "What's most important to you?" then it is a question that you could still ask them, because you're not really asking them, "How well do we do this?" you're only asking them, "What matters to you when you use a service like the one we give you?" It really has to be one question only, you want to gather this information quickly, and easily, and effortlessly – effortlessly for the customer that is.

Another way to gather this data is through focus groups. Now, focus groups are generally are facilitated discussion, and usually someone with research skill is going to facilitate this sort of a group. It's a group of your customers who come together and have a discussion, and the facilitator will lead that discussion and help draw out of the group of people there what the top six to twelve attributes of service might be for the kind of service that you provide. Now, it's not about you, specifically, it's about the kind of service you provide.

The third method, and this is the easiest method really, if you've got the data available, is to look at existing data that you might have, and that might be past customer surveys, it might be some customer research that's been done in the not too distant past. It could be customer feedback that you've managed to collect and collate, even if in a somewhat ad-hoc fashion over the months or the years. So, if you haven't got the money or the time to commission a one question survey or a focus group, then looking to the data you already have is still a reasonably good start, it's going to be better than nothing.

Now the training team used existing data, that was the method they used, because this particular training team had over the years collected a lot of – I guess you'd call it open-ended or free text kind of data from feedback forms or happy sheets that they would give to their course participants. They've run lots and lots of courses, so they've got lots and lots of data.

And, this particular set of data came from two questions in their customer survey, now their customer survey had a question – and again remember the course participants are filling this survey out at the end of their course – Question 1 is, "Overall, how satisfied are you with your experience at this course?" And that Question 1 has a rating scale '0' to '10'.

Question 2 asks, "Why didn't you rate your satisfaction any higher?" Now, just think about that for a moment. It's quite a powerful question; "Why didn't you rate your satisfaction any higher?" What that's really saying is, "What was something that didn't work as well for you that kept you from scoring, say, a 9/10 instead of a 7/10?"

Question 3 is a little bit like Question 2, but it's asking in the opposite direction, "Why didn't you rate your satisfaction any lower?" Which means, "Why was the course good enough for you to give it a 7/10?" Or an 8/10, rather than 5 or 6/10?

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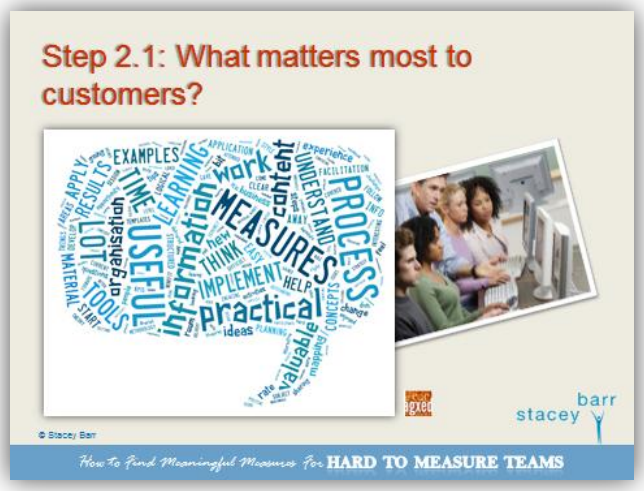
Now because those two questions are gathering free text or just words, verbatim comments, those words contain an absolute goldmine of what is important to the people who come along to these courses. So, without having to go out and do a focus group, without having to go out and create a one question survey to find out what matters to their customers, this training team could take that data and sift out of it what seemed to be the most important attributes of service for their customers.

I'm going to show you how you can do this. It's creating a word cloud. I'm not sure if you've seen word clouds before, they're very, very powerful qualitative analysis methods, quite frankly. Firstly, what the team did was collate all of the free text responses to those Questions 2 and 3 out of their happy sheet, or feedback form, and listed them in a spreadsheet. So, we'll just have a look at some of the comments here.



Let's see, "I would have rated 8, more geared towards owners of…" and this particular team I should say is a team that focuses on teaching business planning, and performance management topics to their customers. Let's see, let's pick another comment, "A lot of content for the duration." "A lot of information at one time to absorb." "A little more pizzazz in the presentation would have moved it to a 10." Let's scroll down a little and see some more – there's hundreds of comments in this spreadsheet. "Awesome, inspiring - Trina, clearly you truly believe in what you're sharing and the difference it makes out there and it shows. It's infectious." "Because although I realise we have done it all wrong I always have this knowledge and can use it in other business areas and projects. Thank you."

Let's look at some other comments, they've sorted this alphabetically, as you can see, just about everything starts with a 'because' in this section of it. "Because there are a lot of tips and helpful hints for me to start using performance measurement.", "Because there are areas which need more information.", "Everything made sense, was easy to understand. I can see it making a huge difference within the business. Looking forward to getting started.", "Even you want to have an opportunity to improve, actually a fantastic experience." So, mostly the customers seem to be quite happy here.

But, there's a range of comments and they vary greatly. How do you sift through hundreds and hundreds of comments like this and understand what the top priorities might be for customers? Well, that's what the word cloud does. What you do when you create a word cloud is you is you copy all of this text, which I'll do right now. There we go, 845 comments, all copied, and what we're going to do is go to a tool that's free and

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available online, and it's called Tagxedo. Tagxedo is a mind-mapping tool, so this is the website right here, it's just www.tagxedo.com and we're going to create a mind-map. Now to create the mind-map it gives us a default one here. We are going to load our data. And, for some reason it's not working right now. Let's try this again. It's frozen … interesting.

When you do create the Tagxedo word cloud – I'm sorry for the distraction here, I just don't know why that froze. When you create the Tagxedo word cloud this is what happens, you end up with a picture that looks like that. It's very easy to change the shape of it, that doesn't really matter, but when the training team put all of those comments in that you saw, those 800-odd comments, what they ended up with was this, and you can see that certain words are large and more prominent than other words – 'Measures' is a large word, 'useful' is a large word, 'information is a large word, so is "Practical' and 'Process,' 'Work,' 'Lot,' 'Tools.' What they did was they looked at each of these words in turn and then go back into the comments and find where those words were used, to look for the context in which those words were used.

For example, 'Useful' is probably the biggest word here on the word cloud. So, when they went back and searched for instances and the use of the word 'useful' in the actual comments from customers themselves, what they found was the context was almost always about the 'information is useful,' so that becomes an attribute of service. It's clearly an important one, it's very important and logical too, that participants of these courses find the information at the course to be useful to them, so there's an attribute of service straight up.

'Process' is probably the next biggest, or one of the next biggest words that have come out in the word cloud. When they went back to the comments in their customer data they searched for the word 'process' and how it was used, to try to find a context to see if there was a service attribute that related to process, but they didn't actually find one, the context was varied and many and the word 'process' was being used in lots of different ways, so no particular theme cam out of that. So, they decided there is not likely to be any kind of service attribute associated with that word 'process.'

They did the same with the word 'measures.' And again the same thing happened, the use of the word 'measures' was varied and broad, and it didn't really suggest that there was any particular service attribute to do with that word 'measures.' However, 'practical,' which is another one of the big words in the word cloud, its dominate context when the team looked back to see how that word 'practical' was used was absolutely about practical steps and techniques. So coming to a training course and getting practical steps and techniques was clearly a highly important service attribute for their customers.

I'm not going to go through every one of these words, but to give you just a couple of more quick examples of attributes of service that they pulled out of doing that kind of analysis, they've got these. So, they ended up choosing eight service attributes overall.

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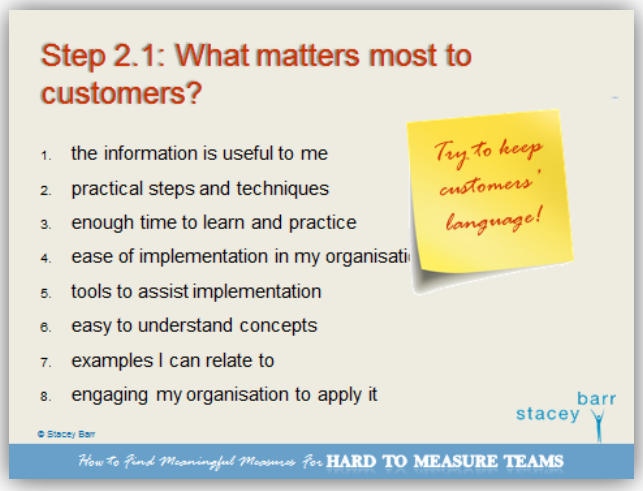

Number one is, "The information is useful to me," you heard me mention that one before. Number two, "Practical steps and techniques," you also heard me mention that one. But, others that they derived was, "Enough time to learn and practise." "Ease of implementation in my organisation.", "Tools to assist implementation.", "Easy to understand concepts.", "Examples I can relate to," and "Engaging my organisation to apply." Now don't they make sense? This is so amazing that out of a whole lot of data that's been sitting there doing nothing for years this training team was able to draw out such amazingly clear and logical priorities that have come directly from their customers. So, these become the short-list, if you like, of what matters most to customers and what your team should focus on.

To figure out which of those matter most, because you're not going to have eight priorities… remember we only want one to three priorities. We have to quantify two things, we've got to measure two things about these eight attributes in order to find out which are the priorities.

One thing that I should mention too is that when you write these attributes of service try and preserve the language of your customers. So, if they use the word 'implementation,' you use the word 'implementation.' If they use the word 'engaging,' you use the word 'engaging.' That's the idea, to try to stick it as close as possible to your customers' language and not try to rewrite it too much.

Step 2.2: How well is the team doing these things?

The two things that we need to quantify are satisfaction and importance, that's what we want to be able to measure about each of those service attributes. This is Step 2.2, and it's about understanding how well is the team doing these things to identify what are the one to three highest priorities for them to focus on now. To quantify satisfaction and importance what you're really doing is wanting to understand for each of the service attributes how important is that to your customers, and how satisfied are they with how you are currently doing it for them.

There's three methods to do this kind of quantitative research. One is to interview your customers. And, you can do that in-person, or on the phone, or you can hire somebody – a market researcher or a survey statistician to do it. It does tend to be costly, of

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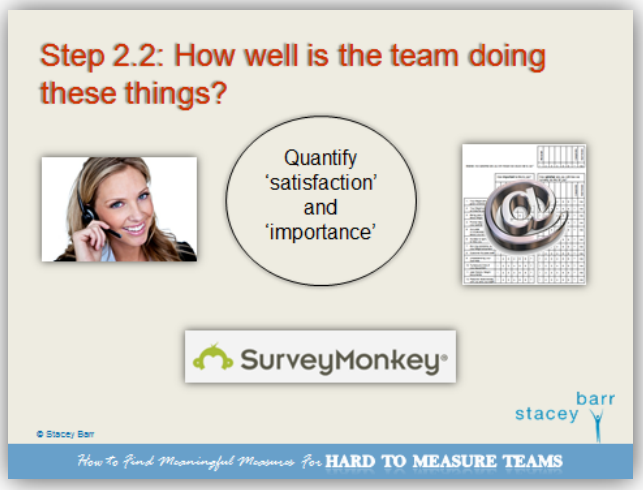

course, but you get very high-quality data and very good response rates doing it that way. So, you'll need to make a call, but it's not your only option.

Another option is to do an email survey. You create a questionnaire and you email that to your customers and you get them to fill it out and they can email it back to you, sometimes they'll be able to post it back to you, but if they email it back to you, then obviously their anonymity will not be protected, and that can be a little bit threatening to people, so they tend not to fill out those sorts of surveys. Low response rates are typical of that kind of a survey. So, you want to make sure that you've got a good incentive to try and get people to respond, or you'll end up with quite bias data.

Now, the third options is an online survey, I tend to use these a lot, in fact they're probably, aside from live in my workshops, these are about the only survey I do now. And, I use SurveyMonkey as the tool to build surveys. You can have a free account in SurveyMonkey, so your team can set one up and it won't cost them a thing. Very easy to create surveys using that particular tool, and they've got tutorials and all sorts of things to guide you through how to do it.

Again, like email surveys they do tend to have lower response rates than do interview-based surveys, but if you've got a good enough incentive you can dramatically increase that. I think typical response rates for things like email surveys are probably around maybe five to ten percent of customers will respond, and that really does introduce a strong bias in the data that you collect, because you don't know if the people who responded are just the ones who feel very strongly and they may rate either higher or lower than a lot of people do. The bulk of the people who don't really care won't respond and you're not getting their point of view.

When you have a really good incentive though, that can dramatically improve things. Now, the incentive obviously has to be relevant to your customers and affordable to you, but recently when I did an online survey to get some feedback about a course that I ran a while ago, I offered an incentive which was some additional how-to information, to give people more specifics about some of the topics that we covered in the course, and that was free. It was free only if they completed the survey. I got about a 30 percent response rate to that one. So, that's not bad for a volunteer survey, to get about 30 percent, but again, it's indicative of the quality of the incentive you give them… it's the reward, it's the, "I appreciate you giving your time giving me this data, here I've got something to give you in return."

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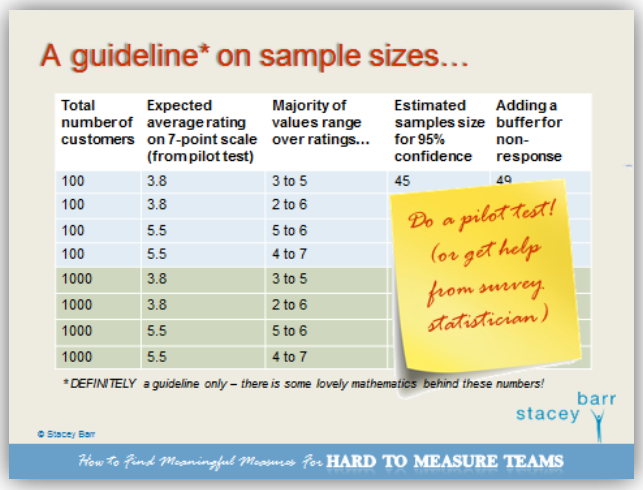
Your choice which way you go, I think for your team's first time through this process something like using a SurveyMonkey survey is going to be the best way to go, because it's the cheapest and because of how well you can design a survey and how quickly you can design a survey, it's going to be the least amount of effort. And, if you can think up a good incentive that's relevant for your team to offer customers for doing this, do it, and that will certainly work on improving your response rates.

A guideline on sample sizes…

I want to make a comment here about sample size, though, because you don't necessarily have to send your survey out to every single customer, and nor should you. If you're a team that's got five or six customers or maybe a dozen customers, or twenty customers, yes, send it to everybody. You probably won't get reliable enough information from the sample from such a small group of customers, but if you've got lots and lots of customers sampling is certainly the way to go and can often give you much more reliable results, because you can put more effort into following up a smaller number of customers to fill out your survey.



I want to share with you a bit of a guide on sample sizes. This guide comes with a warning. The warning is that the way you design a sample size is actually quite mathematical, and I know this because the first three years of my career I was a survey statistician, so at university I studied mathematics and statistics. I was a math nerd. And, that's what I majored in. My first couple of jobs out of university were as research statistician, which meant that I designed a lot of surveys to collect data, to try and keep the costs of the survey down, but to increase or to get as reliable a set of data as possible. So, I do know the formulae for calculating sample sizes, based on what you're trying to measure, what kind of variation in the response you're likely to get from your customers, and how many customers that you have.

I wanted to give you this table, just to show you how much sample sizes can vary, depending on those factors, depending on what you're trying to measure, how much variation there is in the measure, and how many customers that you have. So, you can see that straightaway in the table here the first column shows you two scenarios of the number of customers you might have. If your team has got around 100 customers, then

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the results are going to look a certain way. If your team has around a 1,000 customers the results will look a little different.

On this point about how many customers your team has never choose a sample size that is an outright percentage of the what's called population size. If you have 100 customers don't think that a 10 percent sample means anything. If you have 1,000 customers don't think that a 10 percent sample means anything, it doesn't. Choosing a percentage of your total number of customers is not a valid method for choosing a sample size, even though it's commonly used, it's just not valid. You can end up having too many in your sample, and therefore higher costs than you need, or you can end up having not enough in your sample, and therefore data that's just not reliable enough.

The second column here is looking at what we're measuring. Now in the case of measuring what we're trying to measure, which is an important rating for each of the service attributes for our team's customers, and a satisfaction rating for those service attributes, we're really trying to measure something that's pretty much an average on a ratings scale of let's say '1' to '7,' where '1' might be least important and '7' is most important in the case of measuring importance, and where '1' is completely dissatisfied, and '7' is completely satisfied, when we're measuring the satisfaction of our service attributes.

Now, depending on how that averages out, it can impact the sample size. So, for example, if for a team with a 100 customers, if it turned out that they're satisfaction rating was 3.8, then all things considered their sample size of 49 compares to the sample size of 30 for – everything staying the same except that instead of averaging at 3.8 their satisfaction ends up averaging 5.5. Now, I know that sounds wacky and bizarre, but it just goes to show that what you're measuring has an impact on your sample size. Now how do they know they're going to average around 3.8 or 5.5 before they've done the survey? They don't know, but they can do a little pilot test by taking a small sample of customers, asking the question, gathering the data, calculating the average and saying, "Look, we think we're going to be around 3.8 based on our pilot." Or, "We think we're going to be around 5.5 based on our pilot."

Depending on how variable the responses are that can also impact on the sample size. So, for our team with 100 customers whose pilot survey showed that they could expect probably an average rating of satisfaction around 3.8, depending on how much variation there is in people's responses on that rating scale, their sample size can change. So if, for example, their pilot showed that most people are rating either '3,' '4,' or '5' out of '7,' then their sample size is going to be around 49, but if instead their pilot showed them that most of the responses can range as much as from '2' out of '7,' through to '6' out of '7', there's more variability there. Do you see? The responses are covering a wider part of the rating scale compared to the previous example of ranging from '3' to '5.' Because of that greater variability they need a larger sample size to get the same level of reliability in their data, they need 72.

Now, I'm more than happy for you to use this table and to estimate what your sample size might be, but I definitely recommend that you do a pilot test, or get help from a

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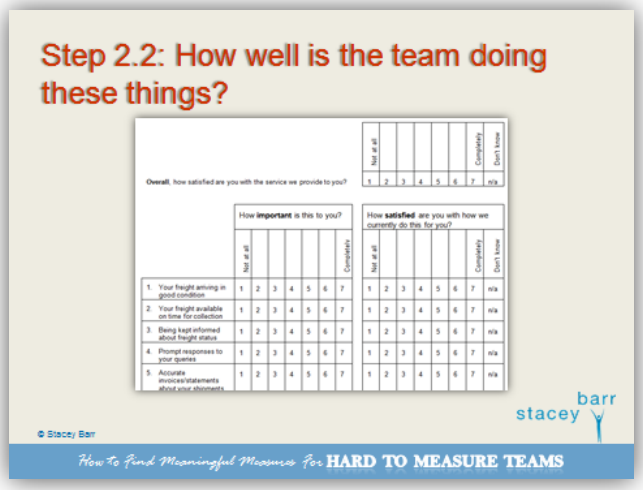
survey statistician to work out your sample. I think the interim, in the short term probably do a pilot test and just see how that turns out and whether or not this table can help you, but if you do have access to a survey statistician and you can do that in government statistician offices or at universities, often they'll be even students who would be happy for the work experience to help you work out a sample size. So, those can be some cheap ways of doing it. You can, of course hire a market research company that can do the same for you, but you will paying more dollars for that.

The purpose here is just to help you understand that samples are a very good way to go, but they need to be designed deliberately and I hope that table has been a bit of a guideline to help you understand the factors that affect your sample size, but also to be a bit of a shortcut if you're team just happens to fit within some of the parameters in this table.

You're going to need to design a questionnaire, either whether you do it with SurveyMonkey, or via email, or even as an interview, and this is probably the simplest lay out for the kind of questionnaire you need to quantify importance and satisfaction for those attributes of service for your team.



Now, you can download this, it is an example survey, this one is for a billing team – not actually for the billing team, but for a customer survey for the freight business that the billing team was a part of. And, when they identified their service attributes they did it through focus groups, actually, this particular organisation, focus groups of freight customers and researchers facilitated the focus groups, and out of the focus groups came a list of 12 attributes of service.

Now, for this particular freight business there were things like, "Your freight arrives in good condition." "Your freight's available on time for collection." "You're being kept informed about the status of your freight." "You get prompt responses to your queries." "Accurate invoices and statements," incidentally that was the question there that related most to the billing team, but you'll see that shortly. "Access to the right people to help you.", "Solving problems with your freight shipment.", "Having customer-focused staff.", "Understanding your business." et cetera, we won't go into all of them.

But, just bear in mind these were chosen from the customer group for this particular freight business, they may be very different for the customer group for other freight-type services. So, you can't just copy these and say, "Oh, we're a freight business,

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we'll just use them," it won't necessarily work, your customers may have very different priorities.

Now, each one of those attributes of service becomes a question, in a sense, and that question has two parts to it – "How important is this attribute to you?" And, "How satisfied are you with how we currently do this for you?" Two very different questions, same rating scale, '1' to '7', the exception here being that in satisfaction there's a 'not applicable,' or 'don't know' response option. It's easy for someone to say hypothetical, "Yes, this particular attribute is important to me, but I haven't experienced it from you, so I can't give you a satisfaction rating," and they might pick 'NA,' not applicable for that particular question.

It's a really simple questionnaire, the only other thing that I'd like to point out to you is this first part here, where – and I'd recommend you do this too, always include a question, "Overall, how satisfied are you with the service we provide to you?" 'Overall,' don't try to create an overall satisfaction rating by doing some kind of weird, weighted calculation out of all of these different attributes. You've just chosen the 12 top attributes, you haven't chosen every possible attribute that matters. Now, while these will have the biggest impact on overall satisfaction, they cannot be equated to overall satisfaction. It's much safer, and faster and easier to simply as the question, "Overall, how satisfied are you with the service we provide for you?"

Now feel welcomed to take this questionnaire and to adapt it, putting in your own attributes of service and creating your own lay out. Or using it as a model to build a similar kind of survey in something like SurveyMonkey.

I'm going to recommend that you use seven-point scales, only because that seems to be what the literature points to. Most of the literature on how to design rating scales for satisfaction, or importance, or anything else like that, attitude type scales seems to arrive at seven being the best compromise. Now, I personally use ten, and I will share why I do that, although I would not consider this to be peer-reviewed rigorous research, it's just experience. My experience is when I've used seven I get a lot of 6.5s and 5.5s, and I don't like that. So, when I moved to ten-point scale a lot of that disappeared and people just circled whole numbers. That's my experience. Again, pilot test, find out what things work best for you, but start with the seven-point scale, and I recommend that just based on the strength of what the literature says.

Step 2.3: What are the team's priorities?

Now, when you have gathered this data for your team, from their customers, you're able to construct a super-duper graph like this called the 'Customer Priority Quadrants.' This is the customer priority quadrants for the freight business of which our billing team, one of our case studies is a part. Now, you can see that there's a range of those service attributes on this graph, on this chart, you might recognise some of them from the list I read out before in that questionnaire, "Freight's available on time." "Freight in

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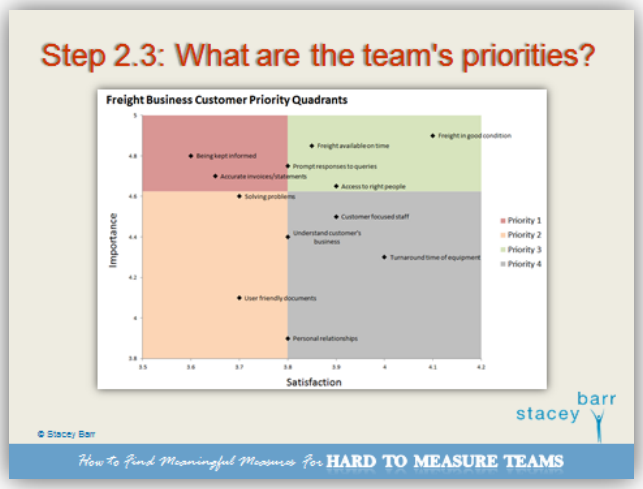
good condition.", "Being kept informed.", "Accurate invoices and statements.", "Prompt responses to queries.", "Access to the right people," et cetera, et cetera.



Now what determines where these attributes land on these customer priority quadrants is of course their importance rating and their satisfaction rating, and that data comes from the survey.

There is a spreadsheet that I've set up for you that you can download that will do exactly this, you just put in your data. And, I'll show you how it works by looking at the freight team. The spreadsheet has three worksheets in it, the first of which looks like this, this is the data sheet. So, when the customers fill out the survey they are given two ratings, they're giving – well, they're giving their overall satisfaction rating, which is the first column here. But, they're also giving an importance rating, and a satisfaction rating for each of a set of attributes of service. "Freight in good condition," for example gets an importance rating and a satisfaction rating from each customer. "Freight available on time," gets an importance rating and a satisfaction rating from each customer, and so on.

Each row in this spreadsheet is a particular customer's response. Now, to keep it anonymous we don't have customer names in there, but each one of the forms that customers filled out, or the – what would you call them? I can't remember what they're called in SurveyMonkey, but each respondent's data would correspond to a line in this spreadsheet.

I've got a line in here at Line #3 where the averages are automatically calculated, and I'll show you how they're used in a bit, but basically somebody is going to do data entry and just write down all of the ratings that your customers gave each of those service attributes, for both importance and satisfaction, into this spreadsheet. When that data is in the spreadsheet you can then move onto the next worksheet, and it looks like this.

The thing that you'll focus most on is the blue area. This blue area is where each of the service attributes is listed, and the satisfaction and importance ratings or the average satisfaction and average importance across all customers for each of these attributes of service are summarised. Now, this becomes the data for the performance quadrants graph. That takes us to the actual quadrants graph itself.

Now, I'm going to come back to this sheet and explain what the green section is, and the orange section. I've tried to automate this as much as possible for you, so there is a little bit of kind of working going on in the spreadsheet, but once you understand what it

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is and that you don't have to do anything with it you can relax and just enjoy the fact that the work's been done.

So, this graph is plotted using those satisfaction and importance average ratings for each of the attributes of service. These attributes of service are added automatically to the graph using a plug in. Now, I will put a link – there will be a link for the plug in on the course website. If you're able to do this, it's just a simple Excel plug in, it's free, and it's called XY chart labels, and what it does is overcome a limitation with Excel where you want to put a label on the graph, but what Excel will do is only put the number, their satisfaction or importance rating as a label on this point. But, you want the actual attribute of service itself, just to make it nice and simple, and easy to interpret at a glance. So, this XY chart labels application does this for you very easily.

Each quadrant in a sense in this graph means something. Now, the red quadrant at the top here is where importance is relatively high, but satisfaction is relatively low. So, what we're saying here is attributes that fall in that quadrant are very important to customers, but you're not doing them very well at all. They become priority one for the team. This is where the team should focus. Anything that falls into the red quadrant, or the priority one quadrant, as you can see in the legend over here, that's what your team ought to be focusing on. Now, recall that this particular customer priority quadrants graph is for the freight business as a whole, not just for the billing team. But it was still good enough for the billing team to say, "Well, clearly accurate invoices and statements are a priority for our customers, so that's a priority for us now."

The other quadrants are also useful to understand. Priority #2 is where importance is relatively lower, but satisfaction is definitely low as well. So, they would be the next priorities to focus on for improving. And, you'll probably find that as you got better and better at performing in the priorities that are in the red quadrant next time you went and measured importance in satisfaction from your customers, satisfaction with that would increase, it would move over into the green. And maybe something from the orange would start moving up into the red. So, that's why you have to do this fairly regularly and to take a continuous approach to priorities and to deciding what's importing to measure. Annual would be a reasonable cycle to start with.

So, that's Priority #2 is where importance is relatively lower, but satisfaction is still pretty low.

Priority #3 is where importance is high and satisfaction is still high, but you want to make sure that the satisfaction stays high with those, and possibly even continually improve some of them, like freight available on time, this one here, is closest to the red quadrant, so that would probably be one of your next priorities to improve as well for your team.

The grey area is Priority #4 because really they don't matter as much to customers and you're already doing them really, really well. So, there's no point in improving something further that doesn't matter as much to your customers. It's actually an area where there's potential overkill. You might be putting a lot more effort and resource into

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that and that's effort and resource that could be spent maybe working on something that's in the red quadrant.

So, it's a really simple tool, a really powerful tool to help focus your team on what matters most to customers.

Now, I did say that I'd come back to the analysis worksheet, to show you a little bit of what was going on to create that chart. Here you've got, in the green area, are the data that tell you where the quadrants end up. So, back on the quadrant graph why is the line up there just above 4.6 on the importance scale? Why is the vertical line at 3.8 on that satisfaction scale? Why did we choose that set of intersections to define the quadrants? Well, the basic answer is that what I've done is taken the median scores, and the median scores are really satisfaction ranged from 3.61 up to a maximum of 4.11. So, what's the midway point there in terms of – what's the point at which half the attributes of service were above that value and half were below it? That's the median, and Excel calculates that quite simply. In this case it turns out to be 3.8. And for importance the median rating is 4.6. So, that's why the quadrants are put there. And the idea is to put those quadrants basically through the centre of the cloud of service attributes and how they land on that map. And that just helps make it easier to really make sure that there's something in each of the quadrants for you to look at.

These you can modify, absolutely. You can also modify the minimum points and maximum points that are on the chart just by updating these data here. The data not to adjust is in the orange here, because that helps create that graph, it's doing some Excel work around and a few other things. You don't need to modify any of that data there at all. Now, the source for how those quadrants were created, I've put the link there for you, if you want to learn more about it. But, if you're not interested in learning more about it, ignore the orange section. Really you're just looking at your data that pops into the blue section and finetuning the graph, the quadrants, using the data here in the green section. And voilà, you end up with a great way to focus your teams on outcomes that matter the most, so they don't have to focus on everything, they don't have to try and invent something to focus on, it comes straight from the voice of the customer.

Again, that spreadsheet is for you to download and use, and put your own data into it.

More examples…

Now, a few more examples for Step 2 here, where we're trying to understand the priorities of our customers, remember the software development team, end users of the software are one of their customer groups, and for the end users some examples of service attributes that might matter most would be things like, "The software is easy to use.", "The software does what we expected.", "The software saves my time.", "The software makes my job easier.", "The software improves my outputs."

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For an administrative support team, for their managers, their managers may actually have different priorities to the project officers they also work with. For example, managers' service attributes might be, "Proactively anticipates my needs." "Proactively solves my problems.", "Gets the job done right the first time.", "Saves me time and reduces my stress." Now, that sounds quite sensible, that's exactly the kinds of things you'd want an admin support team to do for managers.

For project officers there will be some overlap, but there might be some differences as well. "Gets the job done right the first time," well, that's certainly important for managers as well as project officers. "Reduces my administrative tasks," well, that's slightly different. "Keeps me informed," different again. "Works collaboratively with the team," that's different. And, "Has a wide range of admin skills," so that's different also. So, project officers have different service attributes that they look from administrative support than do managers.

Finally a compliance team, they have three customer groups that we looked at before. We'll just look at the managers in this case. "Minimal disruption to operations." Well, that makes sense. "Recommendations that are relevant." "Recommendations that are realistic." And, "Helping me find solutions." They might be the four most important attributes of service that managers have from what a compliance team does with them or for them.

End of transcript.