Perspectives on Customer Value Analysis (No. 2)
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This month's topics:

> *Strategies* looks at the importance of organizing survey-based findings into a small collection of important strategic themes.

> *Features* shows how to use some of the new features in Release 3 of the Digital War Room to group attributes into key dimensions

> *Tips* shows some shortcuts for assigning dimensions to attributes.

Strategies: 37th on our high-priority list is…

President Bush has published a six-point plan for improving the economy. John Kerry has a five-point plan. Whose is better? Leaving aside the real merits and just counting the number of points (six vs. five), I give the edge to Kerry. I like conciseness. At any rate, both men understand that no leader ever inspired his or her followers with a 37-point plan. Although executing an economic plan may require the coordination of thousands of individual tasks, bundling these under a small number of topic areas crisply conveys the critical policy concerns of the leadership down through the ranks of government and to the people.

On the smaller stage of running a business, just a few key points should suffice to convey a business's strategic direction. Any more points, and the critical overarching ideas would be lost. Any idea worthy of being labeled "strategic" will have behind it dozens of details that need to worked out for successful implementation. Yet, when it comes to inspiring and unifying an organization, there is a world of difference between a list of several dozen details and a simple statement of direction. For this reason, the ability to condense such ideas into a simple overall statement of direction is one of the hallmarks of good leadership.

What does this have to do with managing customer value? Companies often survey their customers to identify what they need to do to improve. One problem that they often run into, however, is that their surveys are really long. The plans they derive from the surveys resemble a laundry list of dozens of disconnected items, rather than a beacon of clear principles for guiding the business. Some creative processing is required to condense a wealth of detail into a concise summary of strategic intent.

How can you make survey-based insights the basis of a concise action agenda? Making surveys shorter is one easy step. If dozens of attributes are presented on a satisfaction survey, respondent exhaustion sets in. Respondents start giving the same response to each question, costing the researchers the very ability to pinpoint areas of strength and weakness that led them to add dozens of questions in the first place. So show some

discipline when you're designing a questionnaire.

Surveys, however, can never be so short that additional steps to organize the results aren't necessary. Regardless of the survey, it is always a good idea to group attributes into action-oriented dimensions. Dimensions transform a long laundry list of small fixes into a concise strategic agenda of large ideas. Identifying useful dimensions is an art. If you have a large set of attributes on which your businesses are scored, how can you condense these down into a concise set of dimensions? Here are a few options:

1.   1.   Use CVI Standard Dimensions – CVI often uses a tree diagram to describe a standard hierarchy of attributes. The four benefit dimensions are Product, Service, Relationship, and Brand Affinity. These dimensions can be thought of as a checklist – classes of attributes that are almost always important. If your survey does not have any attributes having to do with, say, relationship quality then the survey is probably incomplete.
2.   2.   Identify critical processes – Say you have data in which respondents rate your (a) on-time delivery, (b) responsiveness, (c) product's durability, and (d) the ease of using your product. Perhaps your score on the first two attributes could be improved by changing the *logistics* process. Your score on the second two could be changed by product *redesign*. *Logistics* and *redesign* could become two of your dimensions. The specific attributes within each cluster then provide a "to-do" list for each of these processes.
3.   3.   Identify attributes' stage of lifecycle – In his book, *Managing Customer Value*, Bradley Gale discusses how customers' needs change over time as suppliers introduce new features. His attribute lifecycle has seven distinct stages – Latent, Desired, Unique, Pacing, Key, Fading, and Basic. At the earliest stages, there are customer needs that no supplier is meeting. When the first supplier delivers a solution to meet the need, that supplier enjoys a period of having a Unique benefit. As more and more suppliers provide solutions, good performance on the attribute becomes more of a commodity, and eventually the attribute becomes "table stakes", i.e. a Basic requirement. Attributes can be clustered by lifecycle stage. This emphasizes to management the need to look ahead to secure leadership in those attributes that the customer will want in the future.

There are many other solutions for clustering attributes into dimensions. It is a creative and worthwhile endeavor. At the end of the day, the short list of dimensions will provide a clear guidepost for conveying important strategic objectives from the customer perspective.
DWR Features: Using Dimensions

Below is a table from the DWR Profile Page. This table compares the performance of different minivan models in terms of their scores on ten benefit attributes. Note that the column labeled "dimension" to the left of the attribute names is blank. It is quite ok to leave this column blank and many users do. It does not make much difference in this case, since ten is a manageable number of attributes. However, if the number of attributes had been two or three times this, this table, as well as other exhibits such as the Head-to-Head chart could get unwieldy.

			Performance Scores								Weights for:	
Dimension	Attribute		Honda Odyssey	Toyota Sienna	Dodge Grand Caravan	Mazda MPV	Chevrolet Venture	Ford Windstar	Mercury Villager	Average	Attrib.	Value
Benefits	Acceleration		6.0	6.0	6.0	6.0	6.0	8.0	6.0	6.3	5.0	
	Transmission		10.0	10.0	8.0	8.0	10.0	8.0	8.0	8.9	11.0	
	Routine handling		8.0	8.0	8.0	6.0	6.0	6.0	6.0	6.9	10.0	
	Emergency handling		6.0	6.0	6.0	6.0	6.0	4.0	4.0	5.4	12.0	
	Braking		8.0	8.0	8.0	8.0	8.0	8.0	6.0	7.7	6.0	
	Ride comfort		7.3	8.0	8.1	8.1	7.5	7.9	6.8	7.7	15.0	
	Seating comfort		8.5	7.5	7.5	6.9	6.5	6.9	6.5	7.2	19.0	
	Convenience		8.0	6.9	8.0	7.1	8.0	8.0	6.9	7.6	11.0	
	Fuel economy		4.0	4.0	2.0	4.0	4.0	2.0	4.0	3.4	3.0	
	Reliability		6.0	8.0	6.0	8.0	4.0	2.0	6.0	5.7	8.0	
Weighted benefit scores			*7.6*	*7.5*	*7.2*	*7.1*	*6.9*	*6.4*	*6.2*	*7.0*		*100.0*

Now, let's say that the manufacturer doing this analysis had a number of product and process improvement teams in place, and wanted to have each of the teams take ownership of pieces of the customer-need package. In this case, each attribute could be assigned a dimension reflecting which team takes primary responsibility for it. Assigning the dimensions to the attributes and sorting according to the dimensions is something that can be done on the DWR input form. The result might look something like this: Now the attributes are clustered and sorted according to which team might take leadership in making the business competitive in terms of those attributes.

			Performance Scores								Weights for:	
Dimension	Attribute		Honda Odyssey	Toyota Sienna	Dodge Grand Caravan	Mazda MPV	Chevrolet Venture	Ford Windstar	Mercury Villager	Average	Attrib.	Value
Benefits	Engine & drive train	Acceleration	6.0	6.0	6.0	6.0	6.0	8.0	6.0	6.3	5.0	
	Engine & drive train	Transmission	10.0	10.0	8.0	8.0	10.0	8.0	8.0	8.9	11.0	
	Engine & drive train	Fuel economy	4.0	4.0	2.0	4.0	4.0	2.0	4.0	3.4	3.0	
	Braking and suspension	Routine handling	8.0	8.0	8.0	6.0	6.0	6.0	6.0	6.9	10.0	
	Braking and suspension	Emergency handling	6.0	6.0	6.0	6.0	6.0	4.0	4.0	5.4	12.0	
	Braking and suspension	Braking	8.0	8.0	8.0	8.0	8.0	8.0	6.0	7.7	6.0	
	Braking and suspension	Ride comfort	7.3	8.0	8.1	8.1	7.5	7.9	6.8	7.7	15.0	
	Interior design	Seating comfort	8.5	7.5	7.5	6.9	6.5	6.9	6.5	7.2	19.0	
	Interior design	Convenience	8.0	6.9	8.0	7.1	8.0	8.0	6.9	7.6	11.0	
	TQM	Reliability	6.0	8.0	6.0	8.0	4.0	2.0	6.0	5.7	8.0	
Weighted benefit scores			*7.6*	*7.5*	*7.2*	*7.1*	*6.9*	*6.4*	*6.2*	*7.0*		*100.0*

Again, in this case, with only ten attributes, there are few problems with seeing the patterns in the data. However, had we had more attributes, there could have been problems seeing the big picture. Let's use a feature new to the Release 3 of the Digital War Room to consolidate the 10-attribute analysis into a 4-attribute analysis. The new four attributes will be the dimensions of the Profile above. Again, this is done from the input form. Here is what the output looks like:

Dimension	Attribute	Performance Scores								Weights for:	
		Honda Odyssey	Toyota Sienna	Dodge Grand Caravan	Mazda MPV	Chevrolet Venture	Ford Windstar	Mercury Villager	Average	Attrib.	Value
Benefits	Engine & drive train	8.0	8.0	6.5	6.8	8.0	7.1	6.8	7.3	19.0	
	Braking and suspension	7.2	7.4	7.5	7.0	6.8	6.4	5.7	6.9	43.0	
	Interior design	8.3	7.3	7.7	7.0	7.1	7.3	6.7	7.3	30.0	
	TQM	6.0	8.0	6.0	8.0	4.0	2.0	6.0	5.7	8.0	
Weighted benefit scores		7.6	7.5	7.2	7.1	6.9	6.4	6.2	7.0		100.0

Note that the consolidation gives each competitor a score on each dimension – one score each for Engine and Drive Train, Braking and Suspension, Interior design, and TQM. Each dimension score is a weighted average of that dimension's component attribute scores. Note also that the new overall weighted benefit scores are unchanged from the attribute-level analysis. (E.g. the overall benefit score for Honda Odyssey is still 7.6.) The weight for each dimension is the sum of the weights on the component attributes. What's new is that we now have a much simpler basis for seeing the big picture in this market. This ability is particularly noticeable when looking at such displays as the Head-to-Head and the Attribute Charts. Each process and product improvement team can see how they stack up against the competition overall. And, when they want the details, they can go back and take a closer look at the attribute-level analysis.

How do you get dimensions into your Profile table? Simply go to the input form and type your dimension names into the Dimensions column. (Not simple enough for you? See *Tips* below.)

It is easy to sort the attributes according to the dimensions you've assigned to them. On the Input form page, click the Options Button (in the upper left corner.) Then, in the dialog box, click the Re-order button. You will get a dialog box that looks like the one below. Specify that you want to reorder the attributes by dimension. A list of the dimensions will appear in the small window. If you don't like the order, you can move any dimension in the list up or down to get the order you want. Simply highlight any dimension you want to move and click the "move-up" or "move-down" button. When the order is the way you like it, click the Sort button; then Close. You will see your whole table with the attributes sorted according to dimension.

The process for doing a dimension-level consolidation of your data involves creating a new data form. This is very simple. Assuming that you've assigned Dimension names to each attribute, simply click the Options button, and, in the dialog box that pops up, click the Consolidate button. The new input form will be named Input[suffix]. The computer will suggest a suffix for you to use, but you can override the computer's suggestion with your own suffix. Click OK and the new input form, containing the data consolidated by dimension, will be created. This new form can be loaded into the Profile and all of the DWR analyses will be ready for your inspection.
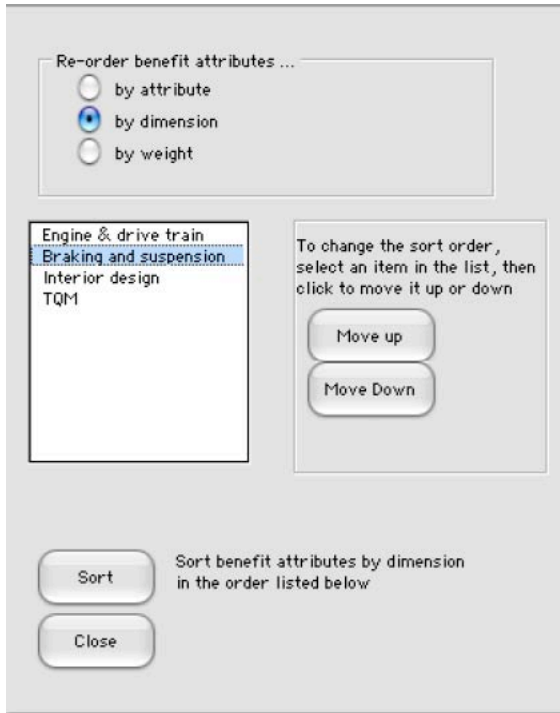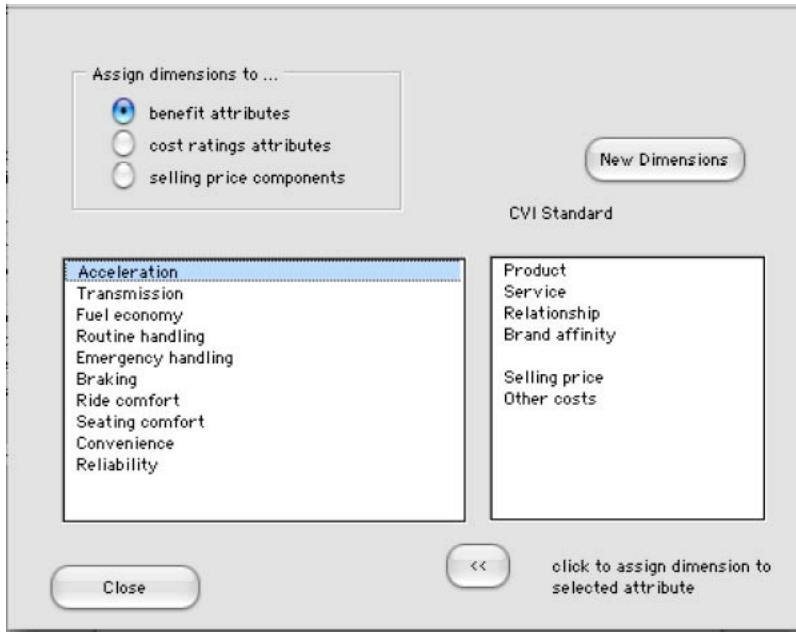
Sorting an input-form table by dimension is easy using the sort dialog box.

Tips: Don't type dimension names

Typing a dimension name next to each attribute can become tedious if you have a long list of attributes. Furthermore, if you want to sort attributes according to the dimension names you give them, you have to be sure that you type each dimension name exactly correctly. There is an easier way. This is to use the "Dimensions" button, accessed by clicking the input-form Options button, to assign dimension names to the attributes

When you click the Dimensions button, you will see a dialog box with two little windows (see below). Your list of attributes will be in the left window, with the first attribute highlighted. A list of the CVI standard dimensions will appear in the right window. If you want to use the CVI dimensions, you're ready to go. Click the dimension name that you want assigned to the first attribute and click the button marked "<<". Your specified dimension will be assigned to the first attribute. The next attribute in the list will then be highlighted. In a similar way, you assign a dimension to the second attribute, and similarly to all of the other attributes.

Assign dimensions to ...
- benefit attributes
- cost ratings attributes
- selling price components

New Dimensions

CVI Standard

Acceleration
Transmission
Fuel economy
Routine handling
Emergency handling
Braking
Ride comfort
Seating comfort
Convenience
Reliability

Product
Service
Relationship
Brand affinity

Selling price
Other costs

Close

<<   click to assign dimension to
      selected attribute

You can easily assign dimensions to attributes using this dialog box

What if you want to use dimension names other than the standard set? Click the "New Dimensions" button above the dimensions window and you will see dimensions representing the lifecycle stages. These can be assigned to the attributes as dimension names. Simply use the same process as outlined above.

You can also specify your own dimension names. Clicking the "New Dimensions" button a second time brings up a list of whatever dimensions had been typed into the Dimensions column on the input form. Here's the trick we use. Say you want to use your own list of four dimensions to classify all of the attributes. Type the names of the four dimensions into the input-form "dimensions" column to the left of the first four attributes. Don't worry if the dimension names don't correspond to appropriate attributes. Just get the data into that column. Then, click the Options button and then click Dimensions. Click the "New Dimensions" button twice and, voila; in the Dimensions window you will see the list of your own dimensions. Now, using the procedure above, by simply pointing and clicking, you can quickly go down the list of attributes and assign one of your own dimensions to each attribute in the list. A great time saver!