

Doug Ringer

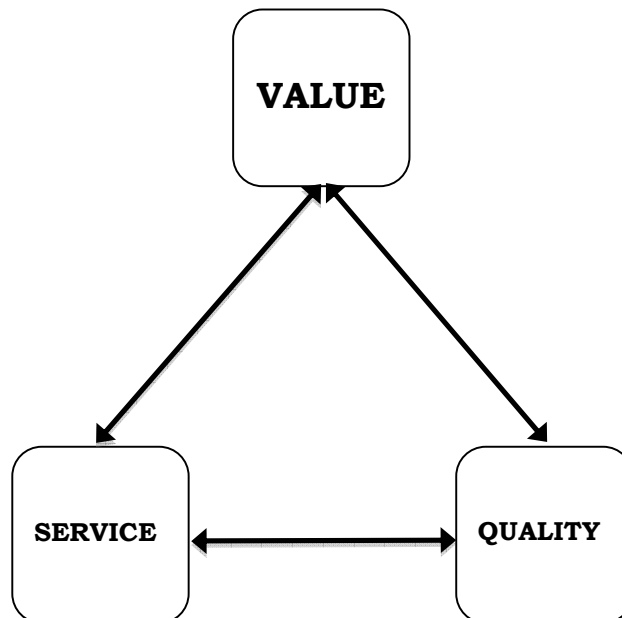
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The Customer Focused Triad[©]

Considering the customer during product development

There are a large number activities that go into the development of a new product. Engineering, manufacturing, management, procurement, finance, and so on. Before any of these begin, the product management team must perform due diligence in researching market needs and customer desires. They may decide to develop products that are market-changing like the iPod and iPhone or they may decide to slightly modify the current product so they can release a “new” product.

All of these tasks are classic product management work and are done very well by my colleagues daily. There have been volumes of work composed to explain and train how to do these activities. This article is not another “how-to” do product management. Instead, it will focus on the often forgotten target of our new product or service, the customer. The Customer Focused Triad[©]



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The Customer Focused Triad[®] is drawn with “Value” at its pinnacle showing that value is supported by “Service” and “Quality”.

Quality

Quality is irrelevant. Yes, irrelevant. I did not say quality is unimportant. It is incredibly important to a successful business. However, it is irrelevant because the quality level of all products in a peer group, is equivalent. The Six Sigma methodologies and the works of Demming have created global manufacturers who do a very good job of designing and building products.

Another way of saying this is quality is expected by customers. When was the last time you bought a manufactured product that did not work as advertised? If you produce poor quality products, you will not have your customers for long. The marvels of modern, instant communications will take care of that.

Governmental and NGO, non-governmental organizations, regulations such as FCC, UL, ETS, TUV, consumer protection groups, etc. all mandate or highly recommend minimum levels of performance, quality, and safety. The threat of litigation is another driver for minimal safety standards. No organization wants to go to court over product liability issues. The negative publicity surrounding the event can be as costly as the litigation itself.

Do not confuse quality with performance capability. Quality has to do with how well as product performs its intended function. Performance capability is what the product is designed to accomplish. A Chevrolet Malibu is a fine car but it cannot perform like a BMW 325 because it was not designed to do that. Both can be quality vehicles but performance cannot be included in the quality equation.

Service

The modern customer expects a very high level of service from her suppliers. She demands:

- Product availability

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- Knowledgeable pre-sales support
- On-time delivery
- Reliable after sales support
- Respect
- An effective grievance process
- Fair price

Only the first item, “product availability”, is considered deliverable in the classical product management approach? Production launch and forecasting are typically part of a PM’s role. The other items on the list are typically the purview of the sales or customer service departments. However, these customer service-related items can make or break a product line. If the product manager has not considered these items during the development cycle, the system may be ineffective in generating sufficient sales because the product’s “service system” cannot provide what the customers expect.

Value

The value the customer perceives about your product and company is derived mainly from:

- Performance attributes
- Service levels
- Product quality

Service level and product quality are at least as important as product’s performance in the mind of the customer. Performance level is a choice the customer makes and is normally set by the amount the customer is willing to pay. A customer may be happier with a lower performing product from a company with outstanding service and quality, rather than higher performance and lower service or quality.

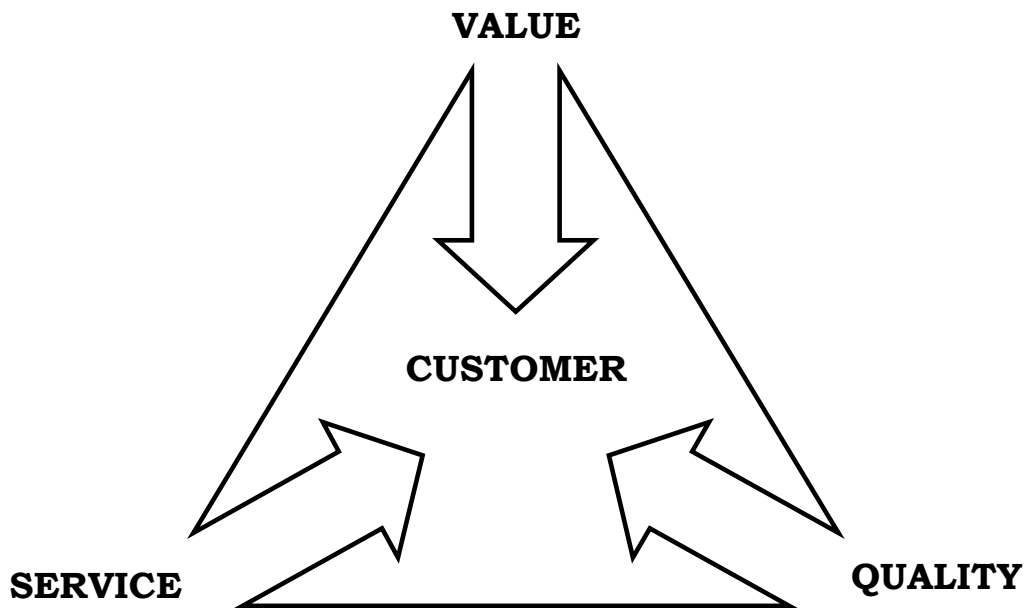
Summary

The customer is the ultimate arbiter of your product. The focus groups, market analyses, competitive comparisons, etc. are all necessary to create a product that comes close to the true needs and demands of the market.

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The visual shows how these three aspects of product development flow together to focus on the customer and her needs. Meet the quantifiable performance goals and qualitative customer needs and you have a winning development system and product.



[Doug Ringer](http://www.dougringer.com) is currently the Director of Product Development for a leading firm in the healthcare emergency response industry. Doug has held global roles in marketing, manufacturing and R&D at General Electric, Ericsson, Honeywell, Meritor, and in a small private firm. He also served on the board of directors and president of the board of a civil rights organization based in Kentucky. Doug lives with his family near Louisville, Kentucky. Follow him at <http://www.dougringer.com>.