

Subject: Visualizing Value
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Visualizing Value

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Introduction

When companies choose to introduce a new product, they must make their decisions based upon some level of knowledge. When the new product is a line extension or improvement of an existing product, voice of the customer and other house of quality tools can be employed to help quantify preferences and justify engineering investments.

But, when investigating new markets, brand new technologies or new services, companies often don't have historical data sets to lean on. They must make decisions without the benefit of hard data.

In these cases, tools must be used in order to objectify the available data. Unfortunately, most tools don't give a satisfactory answer. Using a Pugh Matrix, trade-off table, or a scoring-sheet tends to provide a one-dimensional way of prioritizing customer needs - but rarely gives people a feeling of mastery about their new endeavor.

The goal of this thought paper is to share a holistic way to model customer wants and needs so that the value of future products and services can be better visualized - facilitating the process of developing solutions that meet those needs (and lead to eventual sales success in the market).

Dancing in unfamiliar territory:

A big challenge of innovation is overcoming the learning curve of a new market or technology. Since most markets & technologies are multi-dimensional, it is often hard to keep the various attributes in order and to understand their relevance to the big picture.

The top concerns we have seen include:

- Learning a new set of semantics – many words and phrases mean different things to different people - a common lexicon is vital. Without a mechanism to align language, it is hard for teams to work together without getting confused or bickering.
- Missing the big picture - Bringing together a team of people to invent a new idea often result in people creating solutions that are familiar to their personal frame of reference. Engineers may focus on technical details while finance people may focus on pricing. Creating a holistic map creates blank spaces which require the whole group to fill-in together.

- Design by committee – When a design is created by a group - there is a tendency to “stick” additional ideas into the specification. Without care, this can lead to a patchwork of items rather than a beautiful act. A visual model synthesizes disparate ideas into one vision.
- Forgetting the customer – All good R&D projects start with the customer, but after a few months of modifications, have we checked-in and re-grounded ourselves in the customers' needs? A visual will help test ideas against customer desires.
- Change Management – New products and business models require new methods and processes and therefore need to be considered a change program.

The Process

A value visualization process is often conducted in over a 1 to 2 month window. It is kicked off by a small cross-functional core team which must have representation from a diverse cross-section of the business. The core team can enlist experts to join them along the path, but holds overall responsibility for delivery.

Content and Insights

The first step in the cycle is to understand current market conditions and harvest necessary insights. Through internet research, database searches and magazine publications - the team pieces together a broad array of data. The team then embarks to meet face to face with customers, end users, distributors, and others in the value chain. The result is that the team hears their concerns, emotions, ideas, and watches their body language as they discuss the opportunity. It is these emotions and gestures that give rise to an understanding of relevance and importance of various features and benefits. This is more than data - it is insight into the world of the customer.

Context

Using the insights gathered, the team sorts their data. Discerning their learning, they are

able to create various categories or 'buckets' by which they can group the data and insights - ensuring that they try to see their data through the eyes of a customer. Typical processes yield 4 to 7 categories.

Visualizing

Open Innovators has lead the use of visualization approaches that lean on the "graphic equalizer" bar chart as a model for sharing information. In this technique, categories of information can each hold 1 to 5 visual bars. Categories are displayed next to each other and lead to an overall framework by which the market can be visualized.

Creating a Graphic Values Map

A Graphic Values Map comprises a variety of dimensions that represent the ways in which customers gain value. Each of the dimensions is characterized by a range of options to show how a company or competitor might offer a variety of solutions to the customer. The range of options are fully described in an accompanying guide.

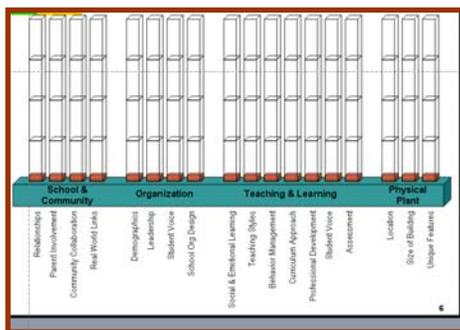


Fig 1 – A blank map, 4 categories

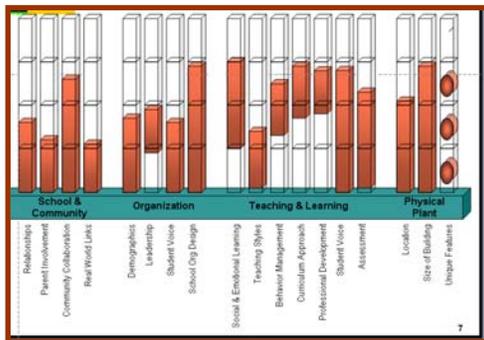


Fig 2 – A map of the current competitors' approach

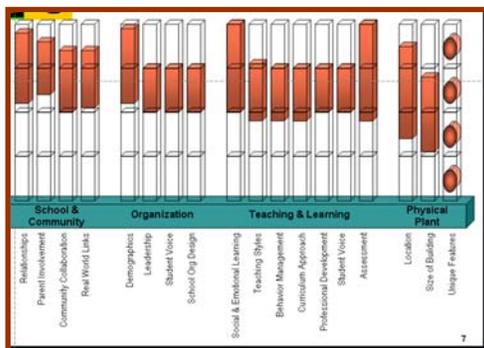


Fig 3 – The map that shows customer desires

The Outcome

Mapping the results of your customer research creates a common round-table for all members of your team to share their knowledge, agree on semantics and create possible futures.

Coming together to define the categories, agree on sub-categories, agree on the scales for the sub-categories is significant work. It forces teams to open their minds, share their ideas and deeply understand the market.

The map can then be used to graphically show the current state of the competition, visualize the desires of the customers and create an opportunity for gap analysis.

Then, future desired products can be visualized, creating a set of boundary conditions by which specifications can be drawn.

Collaboration

What you will find, is that this process drives collaboration and creates a new set of 'slang' that demonstrates mastery of the market, and creates a new short-hand for the teams to articulate the values they aspire to create in their new products and services.



Fig 4 – Agreeing on categories

Results

Through the use of these process and tools, our clients are able to:

- gain a high level of confidence in design and selection of services enabled solutions offerings - even in new markets where they lack historical data
- get to agreement in a rapid time frame
- overcome top concerns and gain acceptance of a large cross-business audience

Through the use of these tools, we have helped clients in a wide variety of disciplines to become more familiar with new growth opportunities.

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