

A close-up portrait of a smiling man with a shaved head and a goatee, wearing a light blue dress shirt and a dark blue patterned tie. The background is a plain, light-colored wall.

How, whom, what to ask  
and what to do?  
Experienced B2B  
consultant Michael  
Haynes provides a  
comprehensive guideline  
to define, gather, analyze  
and implement the right  
questions to meet  
customer needs and  
improve ROI.

**Michael Haynes**

If you Want to Know  
What Customers Want:

**Ask the Right  
Questions!**

To better compete in today's highly competitive markets, companies worldwide are focusing more on providing their customers with relevant and tailored products and services. In order to do so, companies are seeking feedback from customers about their requirements. There is no doubt that understanding customer needs is critical to a company's ability to create products and services that customers will value and therefore purchase. This is particularly important within Business-to-Business (B2B) markets where a company's sales revenues can often be heavily dependent on a very small percentage of its customer base.

However, in order to understand customer needs, supplier firms cannot simply ask customers directly "what do you want?" Doing so is highly problematic for two reasons. First, customers will say they want everything and give you their full "wish list" of the products, services and support offerings they desire, all of which at the lowest possible price. For most companies, it is simply neither feasible nor profitable to do so.

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The second problem with directly asking "what do you want?" is that such a question often results in customers expressing their needs in an ambiguous manner. They will often say they require things such as "flexible products" or suppliers that are "easy to do business with." Such statements do not provide the level of detail required that enables companies to fully understand what would be required to meet these needs.

Therefore, in order to obtain customer requirements that are clear, concise and actionable, a structured approach must be taken regarding:

- **How to ask**
- **Whom to ask**
- **What to ask** and
- **What to do** with the information gathered.

Each of these is discussed below.

### **How to Ask**

The best means to obtain a deep understanding of customer needs is through structured dialogue with your customer, that I refer to as strategic customer discussions. These can be

conducted through a variety of methods including, but not limited to, in-depth interviews, customer visits or workshops. In a B2B context, such discussions can sometimes be easy to execute given the close relationships that may exist between suppliers and their customers. The technique used is not as important as the information gathered.

If executed correctly, these discussions enable supplier firms to understand the value customers receive from the products and services provided. In this situation, value refers to the monetary worth of the technical, economic, service and social benefits a company receives in exchange for the price it pays for a product or service offering.

### **Whom To Ask**

To help ensure your company attains a deep understanding of customer needs, strategic discussions should be conducted with both the customers who are the largest revenue generators as well as other "strategic" customers who are integral to a supplier firm meeting its critical business objectives.

There should also be cross-functional participation from your customer's organization. Participants should be selected from a variety of functional departments such as sales, marketing, products, operations and service. It is important to have multiple participants, since no single department will have a complete view as to how value is created for their organization.

Participants in these strategic discussions from both the supplier and the customer should be a mix of senior-level officials who have decision-making power as well as mid-level personnel who will be involved in implementing solutions, and who should be aware of user-related impacts. This is very important in a B2B context where there are often several, if not hundreds, of users and a very small number of decision-makers.

For the supplier conducting the discussion, it is critical that sales be involved in the process for several reasons. First, they often already have the relationship with the customer. Hence, they are best suited to get the customer engaged in discussion. Furthermore, their intimate knowledge of the customer will assist in framing the questions as well as anticipating responses. They should be

involved in both capturing what the customer says, as well as following up with the customer to verify what has been captured, as well as advise them about what will and will not be done.

### What to Ask

To maximize the usefulness of these strategic discussions, a great deal of preparation needs to be done in advance regarding the focus, which will determine the questions to be asked. Therefore, the first step in preparing for the discussions is to define the objectives. They should be based around specific issues and address the customer's strategic priorities, such as:

- Attracting customers
- Selling more to existing customers
- Maintaining customers.

Once the discussion objectives have been established, a discussion guide containing the questions to be asked should be prepared. The questions to be asked should be developed with cross-functional input from departments such as sales, marketing, product development and

- *Constraints*: factors and/or circumstances that prevent jobs from being completed or outcomes achieved
- *Value*: the monetary worth derived or sought after from elements of a suppliers' offerings, such as product, service, account management, training and support.

Gathering customer requirements in such a manner has a number of benefits:

- Ensures that latent or unarticulated needs are captured, since customers are generally better at stating what it is they are trying to achieve
- Ensures insights gathered are relevant among all customers, e.g., car manufacturers will have the same requirements
- Helps supplier organizations move from a transaction-based relationship to a deeper relationship due to their increased understanding of customers' needs and perceptions of value.

Some examples of the types of questions supplier firms can ask their customers in order to gather these requirements include:

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operations. This will help ensure feedback solicited can be understood and used by relevant functional areas to address customer requirements.

In addition, the questions asked should engage the customer, prompting them to provide a more in-depth explanation of their requirements. These questions should serve solely as a starting point in the discussion with the customer. As the discussion proceeds, new ideas, concerns and issues must be explored as they are raised. Hence, these discussions will need to be led by trained, seasoned personnel within the supplier company, who have a strong understanding of the customer's business so they can probe issues accordingly.

### Types of Information to Gather

To generate the most useful and meaningful insights possible, companies should gather information pertaining to the following:

- *Jobs*: tasks or activities customers are seeking to get done
- *Outcomes*: end results that are being sought after

- What are the critical issues facing decision-makers as they evaluate our product or service?
- What do you expect from us in a deeper, competitively-differentiating relationship?
- What are the areas you value about our company and where would you like to see us invest/focus more in the future?
- What value attributes really set us apart from the competition?
- What makes one company's offering better or worse than another, and why?
- What characteristics describe the ideal product or service offering?

### What's Next: Using the Information

After the customer requirements have been captured, the information must be used within the organization to determine which areas of value the organization will address.

The learnings acquired through these discussions can be used to:

- Tailor current product and service offerings
- Develop new or improved offerings
- Acquire new customers
- Develop compelling messages that articulate how the company's offerings deliver value to its customers.

Successfully delivering value to customers and maximizing a company's bottom line is achieved through a series of steps comprised of:

- *Gather*: Centrally store insights obtained from the discussion for use by key stakeholders and business units
- *Aggregate*: "Roll up" data from all discussions to a meaningful level, such as by sales region or customer segment
- *Analyze*: Identify key customer requirements and value drivers
- *Decide*: Determine an agreed set of criteria to evaluate customer needs
- *Prioritize*: Determine the order of needs to be addressed based on agreed criteria
- *Scope*: Develop specific initiatives to deliver sought-after value
- *Execute*: Assign specific initiatives to specific business units
- *Manage*: Monitor and report on initiatives being undertaken
- *Communicate*: Advise customers as to which needs will be addressed, as well as those that will not, and progress on initiatives being undertaken.

The ability of an organization to successfully take action and profitably deliver the sought-after value will require the following:

- *Senior management buy-in and championing*: This is critical as the organization must be committed, and working towards delivering what customers value
- *Cross-functional participation*: To assess and prioritize needs, and scope out and deliver initiatives
- *Capturing fair share of the value created*: By understanding how value is created for customers, supplier firms can proactively determine how they will capture their fair share of the value created (e.g., by increasing their share of wallet, increasing pricing, acquiring more customers)
- *Ongoing dialogue with customers*: To enable supplier firms to understand changing customer requirements, manage expectations, and advise them of what will and will not be done, as well as progress on initiatives.

## The Financial Impact of Strategic Customer Engagement

Studies conducted by Gallup have found that organizations that have engaged customers outperform their competitors by 26% in terms of gross margin and 85% in sales growth. Furthermore, engaged customers have also been found to spend more, as well as be more loyal, due to the customer offerings not easily replicated by the competition. (Source: Gallup Consulting, *Customer Engagement: What's Your Engagement Ratio*, 2009.)

Companies in numerous industries such as information technology, manufacturing, telecommunications and professional services, use strategic customer discussions as a primary component of their customer engagement strategies. Companies conducting regular strategic customer discussions include Apple, Hewlett Packard, Sun Microsystems, DuPont and Milliken. Owens Corning, a U.S. Fortune 500 company that manufactures building and composite materials reported a 600% ROI within the first year following conducting over 120 strategic customer discussions. (Source: *Winning with Customers: A Playbook for B2B*, by D.Keith Pignes and Jerry Alderman 2010.)

## Conclusion

Supplier firms that not only have a detailed understanding of what customers value, but that can also effectively leverage those insights internally to respond to those requirements, will reap the benefits of improved performance, as well as increased loyalty and strong relationships with their customers.

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