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Building HP/Customer Partnerships

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Customer Awareness

Involving Customers In Design
and Development



What's Our Motivation?



This is also the customer's objective.



Why Customers Leave?

- 15% find a better product.
- 15% find a less expensive product.
- 20% experience a lack of contact and individual attention.
- 49% say their contact with the supplier's personnel was of poor quality.

Customers defect because at some critical level their needs are not being met.

Source: Forum Corp.



How to Keep Customers

- Learn about your customers (who, what, when, where, why, etc.)
- Determine customer needs
- Determine what benefits you can provide
- Measure what matters to customers
- Design, develop, and validate solutions
- Meet spoken and unspoken needs

As the products and services we sell become less differentiable, we must compete based on value we bring and the relationship we have with our customers.

What Behaviors Will Tell Us We're Customer-Aware?



- The HP9000 R&D community will:
 - Know who their customers are
 - Know what makes their customers tick
 - Know how their customers use our products
 - Have partnerships with customers, which includes:
 - Engineers having ongoing dialogs with customers
 - Project teams/programs communicating with customers throughout the development process
 - Customer partners reviewing and evaluating products throughout the product lifecycle
- Throughout the HP9000 R&D community, you will see that:
 - Customer needs help drive design and development of products/releases
 - Project/program discussions revolve around customers and their needs Vs features and technology

Result: Increased product sales and customer loyalty!

Pillars of the Customer Awareness Initiative



Market Focus

Customer Partners



What is Market Focus?

- Understanding customer needs and value requirements
- Defining value in terms of customer benefits
- Segmenting markets based on values (benefits desired, price sensitivity, acceptable tradeoffs)
- Crafting focused value propositions (what value you will and won't deliver to which customers at what cost)

Gaining and sustaining an understanding of value requirements involves "becoming the customer."



What is Partnering?

- Active, engaged involvement by both parties
- Multi-functional teams studying "day in customer's life" and generating scenarios for improvement
- Requires thoughtful critiquing of proposed solutions:
 - how they would work in customer environment
 - whether they would meet customer needs in timely manner
 - how beneficial they would be to customer's work and business
- On-going mutual "learning relationship" at every stage of the lifecycle
- Ensures that we can continue to "become the customer"

What a Market-Focused R&D Needs To Do?



- Understand the value customers are trying to provide to their customers.
- Get customer's understanding of what benefits they're looking for from your products. Don't ask "What do you want?" without asking "Why is that important to you?" and "How would you use that?"
- Focus on how the customer's life/work is now and on how it could be improved.
- Gather data so that you can "become the user."
- Become the user so you can better understand the customer's desires and needs in order to make acceptable design decisions and tradeoffs.

What is "Becoming the Customer?"



- Asking what customers are trying to accomplish
- Studying how customers go about achieving their objectives
- Noting the obstacles, frustrations, compromises, and inefficiencies in what customers have to do
- Noting how customers cope with such difficulties
- Inquiring how customers would like it to be
- Using this information to visualize in your mind's eye what it's like to "be" the customer
- Using that picture to determine what you would want if you were the customer

Delivering Value Based on Benefits Not Features



- **Benefit:**
 - End result the customer desires and achieves
 - Something your product has only if it is used
- **Feature:**
 - How your product achieves the end result
 - Something your product has even if it is never used

Why Do We Care About Benefits?



- Benefits last longer than features.
- Value lasts longer than technology.
- Values and benefits mean more to the majority of customers than features and technology.

What Characterizes a Partnering Relationship?



- 2-way dialog
- Open, trusting, candid
- Conversational, probing
- Based on a mutual commitment
- Continual, ongoing
- Motivating, empowering, yields mutual learning
- Actionable results

To build relationships, you need to identify what motivates your customers, what their needs are.

Steps to Successful Partnerships



- Develop an understanding of customer environment(s)
- Determine customer needs and devise improvement scenarios
- Develop proposed solution(s) to meet needs
- Validate solution proposals
- Refine solutions based on feedback
- Further develop solution(s) with customer input
- Validate solution(s) with customers
- Refine and implement solution(s)

What's In Partnering For Customers?



- Get their needs heard
- Help define customer requirements
- Make sure requirements get translated into appropriate solutions
- Act as sounding board for design ideas and influence what gets built
- Validate that solutions meet their needs
- Get advanced knowledge of what's coming

What's In Partnering For HP?



- Increases awareness of customer needs and the benefits customers seek
- Better informs our decision making by:
 - Helping set priorities for enhancements
 - Helping focus investments on right solutions
- Keeps solutions on track relative to customer needs
- Leads to more timely delivery of solutions
- Helps shrink gap between our performance and customer expectations
- Increases customer loyalty

Some Success Stories



- NT/Unix Integration -- Katy Jenkins
- Patch Process -- Bruce Henderson
- Complex Mass Storage Configuration Management -- Ermei Jia
- Software Development Tools -- Doug Lowe

Partnering with HP 9000 R&D: Make a Connection Today



- HP-UX Quality
- Software Development
- Internet Service Management Tools
- Next-Generation Hardware
- Mass Storage Solutions
- High Availability Solutions
- System and Network Administration
- Security
- Performance Tools

