

CUSTOMER NEEDS DATA MANAGEMENT

When innovation professionals engage in new product development, product refinement, updates and product repositioning, it is essential to verify that the actions taken will be accepted and appreciated by end users and customers. For totally new ventures, customer needs data collection can be a difficult task. For established companies and product lines, the activity of data collection can begin from a set datum, but managing the data in a way that will achieve tangible results can be a challenge. Successfully implemented, effective customer needs data collection, analysis and use can help address market needs and fill potentially overlooked gaps in product and service development. In some cases it can be a major driver of innovation, leading to novel solutions and dramatic improvements.

Collecting data is a great way to start, but establishing a system of data collection first is often more efficient. Consider what specific findings will most help your product or service development goals. Without an effective template or database to plug the data into, an innovation manager can soon become swamped with mountains of superfluous numbers, statements and suggestions.

Some common methods of data collection are surveys, questionnaires, customer feedback forms, telephone interviews, focus groups, and user groups meetings. Done correctly, the data collection activity is not perceived as intrusive; rather it will effectively build brand loyalty.

Five tips for customer needs data collection:

- Ask questions of the people that matter - customers and employees.
- Listen to their answers and question carefully.
- Act quickly on those things you can fix quickly.
- Build into your short, medium-and long-term strategies the things you are finding out.
- Work to ensure that your people are empowered to do this all the time, day in, day out and to feedback to where it will be noticed

The most effective innovative companies and organizations will have systems where data collection not only comes from direct surveys and questionnaires, but from multiple sources, both internal and external to the organization. For instance, if you have a technical service department, customers and end-users may be feeding product needs and suggestions directly to the company. If this information is not escalated to the marketing manager or engineering team it may be lost or ignored. In firms specializing in technological innovation, the feedback from primary adopters can be essential to correcting faults and spurring on design and technical improvements. Effective internal data logging and filtering also serves as a benefit of empowering the employees of an organization.

New tools for eliciting customer data make the task easier than ever to gather data. Social networking online tools like Facebook and Twitter allow for immediate collection. Other services

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such as Constant Contact (www.ConstantContact.com) provide simple templates for online surveys that even small businesses and organizations can use. Many online data collection tools also provide some form of analysis tools.

Analysis of data is often done with the aid of CRM (Customer Relationship Management) packages or databases. A new crop of CRM software makes it clear that IT has a critical role in creating the positive customer experiences that are fundamental to corporate innovation efforts. In addition, the right CRM implemented the right way provides insights about customer spending and shopping habits that can be mined and converted into strong new products or services.



CRM software is slimming down and ditching the weighty moniker of "enterprise CRM." Companies such as SAP and Oracle/Siebel are simplifying their formerly expansive offerings. Microsoft Dynamics CRM and Salesforce.com, once targeted solely at midsize companies, are beefing up with added features and integration capabilities.

What's more, a host of creative newcomers are whittling away at the obstacles that slowed user adoption. InvisibleCRM, for example, lets sales and marketing professionals use stalwart desktop tools — and have CRM, too. InvisibleCRM automatically ferries e-mails and other information entered into Microsoft Office and Outlook directly to Salesforce.com. Therefore, employees enter data into the CRM application without using another application or even knowing they've contributed to a CRM database.

Using data effectively during product changes, new product development and other innovation activity is based on appropriate interpretation of what the customer is saying. Ulrich and Eppinger¹ organized customer needs data analysis by forming needs statements and definable metrics. In this way, discrete elements of a product, process or service can be directly created from a customer statement.

Part of the problem for development and innovation is that they work with too much of the wrong information or not enough of the right information. Marketing is blind-sided by too much historical customer transaction data and invention often ignores customer data completely. To

¹ *Product Design and Development* by Karl T. Ulrich and Steven D. Eppinger (McGraw-Hill 1995, 2000, 2004, 2008) (<http://www.amazon.com/exec/obidos/ASIN/0073101427/ulrichandepingge>)

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succeed, marketing and innovation need a balanced mixture of information about customers. This includes data about historical transactions, about the context that surrounds purchasing, about those who influence purchasing and of course, about core customer needs in terms of the jobs they are trying to do and the outcomes they desire. The job is to provide customers with products, services and experiences that customers can use to deliver these jobs successfully while creating new, better or cheaper products and services to do the jobs in the future.

Customer relationship management as an innovation tool is increasingly important for companies. Successfully implementing a system that combines effective data collection, analysis and use will help your company or organization meet its innovative goals. More than just a database of customers and leads, such tools can become drivers of innovation. ■