



High-Yield Methods

for customer-aligning business strategies, process & technology

HYPER-PLANNING V2.0



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INTRODUCTION

Hyper-Planning is an intensive, two-day, team planning program designed to help clients develop and articulate customer-centric strategies. Because of his depth of experience in development of successful, customer-centric business strategies, HYM Principal Dick Lee personally facilitates all Hyper-Planning sessions. Dick has applied his planning talents with clients including: 3M Company, American Express, FBS (now U.S. Bank), GE and Microsoft—along with hundreds more companies of all sizes, including many in the SME (small to medium enterprise) space.

Although we tailor every Hyper-Planning program to suit our client's business, especially in terms of relative time spent on each planning step, we rarely stray from the prescribed planning sequence, which is the heart of the approach. Maintaining this sequence enables us to expedite the planning process while drilling down to the level of detail where opportunities are uncovered, and means to capitalize on opportunities come to light. We've outlined these sequential steps in the following pages, along with a brief explanation for each primary step.¹

How can we accomplish such an ambitious program in only two days? Because we do the planning prep work up front—and perform migration planning, budgeting, forecasting, ROI calculations and resource planning after the Hyper-Planning session—thereby allowing planning team members to focus exclusively on identifying opportunities and making critical strategic decisions.

¹ Dick Lee's book, "Strategic CRM V2.0, the complete implementation manual," presents the two-day process in detail on pages 21-67. "Strategic CRM" is available at the h-ym.com bookstore and on Amazon.com



PRE-PLANNING STEPS

Because senior management time and attention for planning is such a scarce commodity, we work together with our clients to “set the table” for the intensive, two-day Hyper-Planning session. The up-front tasks involved will require roughly a month to six week elapsed time span to accomplish, respecting that those involved in doing this advance work have other full-time jobs. If our client plans to conduct new customer research, that will take additional time.

Customer Alignment Self-audit:

Among the key up-front activities is taking HYM’s *Customer Alignment Self-audit*. We request that a cross-functional group take the audit, typically including:

- Chief Customer Officer (if present)
- VP or Manager of Customer Relations/CRM/CEM
- VP Marketing
- Marketing Communication Manager
- VP Sales
- Field Sales Manager (at least one)
- Sales Rep (at least three)
- VP or Manager of Customer Support/Customer Service
- Contact Center Supervisor
- Contact Center Reps (at least three, unless small center)
- VP or Director of IT²
- Executive Managers (all who’d like to participate)

² Almost every customer-centric business strategy requires some form of technology support. Have the senior (or a senior) IT manager present creates important buy-in to the overall team’s decisions.



Individually or as a team? To avoid “group think,” we strongly prefer that participants take the self-assessment individually. Everyone involved agreeing on a single rating for each question will require too many concessions. We’ll be much better able to forge consensus perspectives during the Hyper-Planning session itself.

Which version? We only release the self-audit form to clients, because of its intellectual property value. But we also hold it back because we maintain different versions for manufacturing and service companies, and we like to further tailor the self-audit questionnaire to each individual client.

Research:

The more research you already have the better—and we’d like to review all that you have. VOC (voice-of-the-customer) and CSAT (customer satisfaction) studies are the most helpful, followed by competitive and general market research such as demand studies. Very importantly, we need to review the actual questionnaires as well as the survey base for quantitative studies. Not all research is created equal, and part of the expertise we deliver is determining the likely accuracy of the information gathered and how much weight we should attach to the data.

If you’ve conducted no recent or reliable research, we *can* go through the Hyper-Planning process. However, in such cases we will very likely recommend testing Hyper-Planning conclusions by conducting either qualitative (usually interview-based, rather than focus group) or quantitative research. If you need a research resource, we have a long-term working relationship with Mangen Research Associates, a top-drawer customer research organization.

Your planning team:

Selecting the right team members contributes greatly to the success of any form of planning. Your planning team should consist of two groups—*core team members*, who are present throughout the session; and *resource members on stand-by* who may be asked in when their respective functions are discussed. *Core team members* should include:



- Chief Customer Officer (if present)
- VP or Manager of Customer Relations/CRM/CEM
- VP Marketing
- VP Sales
- VP or Manager of Customer Support/Customer Service
- VP or Director of IT³
- Executive Manager (optional)⁴

We strongly prefer to limit core team membership to a maximum of eight. Over this number team proceedings tend to become unwieldy.

Your *stand-by resource team* should include, among others:

- Marketing Communication Manager
- Director of Research
- Sales reps (at least two)
- Contact Center Supervisor
- Contact Center Reps (at least two)
- IT Applications Manager

Agency involvement: Please note that we strongly recommend against including outside advertising agency or direct marketing agency representatives in Hyper-Planning sessions. Agencies have an vested interest in maintaining the status quo—as opposed to moving towards customer-centricity—because customer-centric companies almost always shift funds from broad-based, wide appeal marketing and customer communication into customer relationship development and customer retention efforts, neither of which requires agency support.

³ Almost every customer-centric business strategy requires some form of technology support. Having the senior (or a senior) IT manager present creates important buy-in to the overall team's decisions.

⁴ Only necessary if the core team does not include a senior manager member whose recommendations on behalf of the team will carry very substantial weight with the CEO (or Division President, if it's a single division initiative).



Key parameters:

Lastly, prior to starting the two-day intensive sessions we need to work with you to set some key parameters that may influence the planning team's work and ours as well.

- **Identify boundaries:** A necessary pre-planning component is determining boundaries that may limit what the planning process can and cannot consider. A common example of a planning boundary is a corporate strategy or direction that a subsidiary must follow.
- **Anticipate risk factors:** Because adopting customer-centric strategies virtually always requires internal changes, we like to openly discuss with clients their organization's change profile and risk tolerance. Following the Hyper-Planning session, HYM conducts thorough risk analysis to consider both the intended and unintended consequences of recommended strategy changes.



THE HYPER-PLANNING SESSION

Whenever practical, we prefer holding Hyper-Planning sessions offsite at a local conference center or hotel. Whether or not this proves feasible, we also ask clients to observe several important meeting rules:

- Cell phones and PDAs turned off (and only used during breaks if really necessary)
- No telephone calls into the meeting room or “in-person interruptions”
- Lunches at the site (or box lunches delivered, if onsite)
- Refrain from sidebars (individual discussions) during the sessions
- No “surrogates” sent⁵

Day one topics

As you’ll realize from a quick glance at day-one topics, Hyper-Planning sessions are highly compressed and move very quickly. The topics for both days are distributed prior to the meetings, and team members should spend time organizing their perspectives before we meet. We also encourage informal discussions among participants prior to the meetings.

Establish the customer perspective:

The only marketplace reality that matters is what customers perceive. Key elements of their perspectives we discuss include:

- Self-identified customer groups
- Product/service category for your products/services

⁵ Based on our experience, sending a surrogate who “has my vote” only leads to “but I didn’t agree to that.”



- Purchase situations
- Purchase cycles
- Competitive options
- Price/value relationships

Relationship quality:

How customers perceive their relationships with your company and with competitors often differs substantially from commonly-held internal viewpoints. We discuss:

- Customer-perceived relationships with your company
- The relative importance of these relationships
- Customer perception of quality of service
- Customer perception of product/service quality
- Relationships with customer contact staff
- What shapes customer perspectives beyond personal contact
- Balance of importance between personal contact and other influences in shaping customer perspectives
- Trust in warranties and representations
- Inventory/service availability
- Touch-point ratings

Market conditions: How economic conditions are influencing customer behavior and consumer perceptions. Salient discussion points include:

- Supply/demand
- Customer life cycle
- Product life cycle
- Market trends
- Regulatory issues—both current and anticipated

Competition: We're careful to discuss not only customer perceptions of direct competitors but customers substituting alternative product/service categories as well.

- Direct competition



- Alternative category (indirect) competition
- Competitive strengths and weaknesses
- Sustainable advantages
- Competitive sources of new business
- Share of customer attention
- Opportunities to “change the rules”

Internal Perspective:

Not so surprisingly, customers’ views of your company and you marketplace may differ substantially from yours. Determining not just what differs but why keeps our feet on the pavement throughout the planning process.

Products/services: Beyond establishing the company’s perspectives (which often differ markedly within an organization), this step leads to important gap analysis that we conduct where appropriate as we discuss these and other topics.

- Features
- Packaging/bundling
- Price/margin
- Sales history
- Market share
- Relationship-building
- Marketing history
- Customer service policies/performance
- Competition (internal view)
- Product feature/customer benefit alignment

Sales & distribution: Especially in B2B environments, improving sales performance and re-evaluating distribution strategies can unlock significant growth potential.

Subjects include:

- Supply chain
- Relationship mapping



- Distributor relationships
- Customer value chain
- Steps to the sale
- Selling vs. buying steps
- Sales/marketing infrastructure (including customer information management and automation tools)
- Sales compensation (if management deems appropriate)⁶

Day two topics

Depending on how day one progresses, we may have to include the Internal Perspective on day two, but we prefer to allow as much “slack time” as possible during the second day to allow for outside-the-box thinking and creativity using the data accumulated in day one.

Customer Needs:

As you’ll note, we don’t start the Hyper-Planning process by building customer profiles. We prefer to build them *after* assessing customer behavior and motivating factors.⁷

Customer profiles: We focus on behavioral profiles as well as traditional profiling methods. Key subjects for consideration include:

- Segmentation
- Segment customer profiles
- Individual segment wants/needs
- Individual customer characteristics including common “on and “off” buttons.

⁶ Compensation management is an art and science unto itself, and we don’t practice it here. However, we often find it helpful to identify customer-related KPIs and other performance factors that may drive variable compensation.

⁷ In 2006, HYM and Mangen Research Associates co-sponsored a global research initiative designed to identify customer buying motivators across a broad range of industries. HYM Press published the resulting report, “Customers Say What Companies Don’t Want to Hear,” which is available on h-ym.com and Amazon.com.



- Customer expectations
- Current share of wallet
- Customer churn and contributing factors
- Pain points

Opportunity Identification:

Primary sources: Opportunities come in many shapes and sizes, but almost all come from a finite list of sources. At this point in the process, we've flushed up a tremendous amount of information in orderly fashion, which creates a group capability to evaluate opportunities of each type:

- Increasing customer retention
- Winning greater customer share
- Acquiring new customers.
- Expanding horizontally into new product/service categories.
- Expanding vertically by adding related products/services.
- Expanding geographically into new markets.
- Improving distribution design and channel relationships.

Prioritize opportunities: Based on relative opportunity size, capabilities and cost to capitalize on opportunities and internal capacity for change—as a group we agree on recommended priorities.

Customer-centric Strategies:

Go-to-market strategies: From a distance, you might suspect this last step would be a climactic outcome to two tough days of work. However, in most cases, the “magic” has already occurred, the breakthrough thoughts are already on the table, and we're down to putting flesh on the bones.

Although the Hyper-Planning process will drive follow-on planning in any of a number of different functional areas responsible for executing your customer-centric strategies, your cross-functional planning team has clearly set the direction while also setting high-level expectations.



CONTINUATION

While the Hyper-Planning session itself may be over, we still have work to do crossing the Ts, dotting the Is and potentially fleshing out our input data to provide stronger data support for team conclusions.

Summarizing outcomes:

With team input, HYM customarily creates a management presentation deck outlining key discoveries and recommendations. Subsequently, the planning team as a whole typically presents to the CEO (or appropriate executive group) to gain buy-in and a charter to implement. Depending on circumstances, one or more of the following continuation activities may be conducted prior to the executive-level presentation.

Migration planning:

HYM has expanded on the Balanced Scorecard “strategy mapping” concept to create a highly predictive and accurate method of anticipating and planning for organizational change—including the ever-present, unintended changes that result from domino-type chain reactions. Our strategy-mapping process also highlights key aspects of change that subsequently produce KPIs (key performance indicators) during the business process design phase that follows Hyper-Planning.⁸

Further qualifying opportunities:

Almost invariably, new subjects or unexpected potential opportunities pop up during Hyper-Planning team sessions. Some will require further investigation, and some of

⁸ HYM has almost worn out Einstein’s classic quote defining insanity: “*doing the same thing over and over again but expecting a different outcome.*” Companies cannot implement new, customer-centric strategies without changing business process to produce the desired, customer-centric outcomes.



the investigative outcomes may require reassembling some or all of the team to determine what if any changes to recommendations might be in order. The team typically assigns follow-up, qualifying activities to the most appropriate team members.

Further quantifying opportunities:

The very compressed Hyper-Planning schedule often precludes gathering additional quantitative data related to newly discovered opportunities. It almost always precludes the required number-crunching for identifying required investments. Most clients want to dig deeper into available data to validate planning recommendations—or initiate new research, if necessary.

Next steps:

With customer-centric strategies defined, clients are now poised for implementation planning—which should start with business process redesign followed by identification of requisite supporting technologies. Our Visual Workflow process design approach fulfills both planning needs—process and technology.