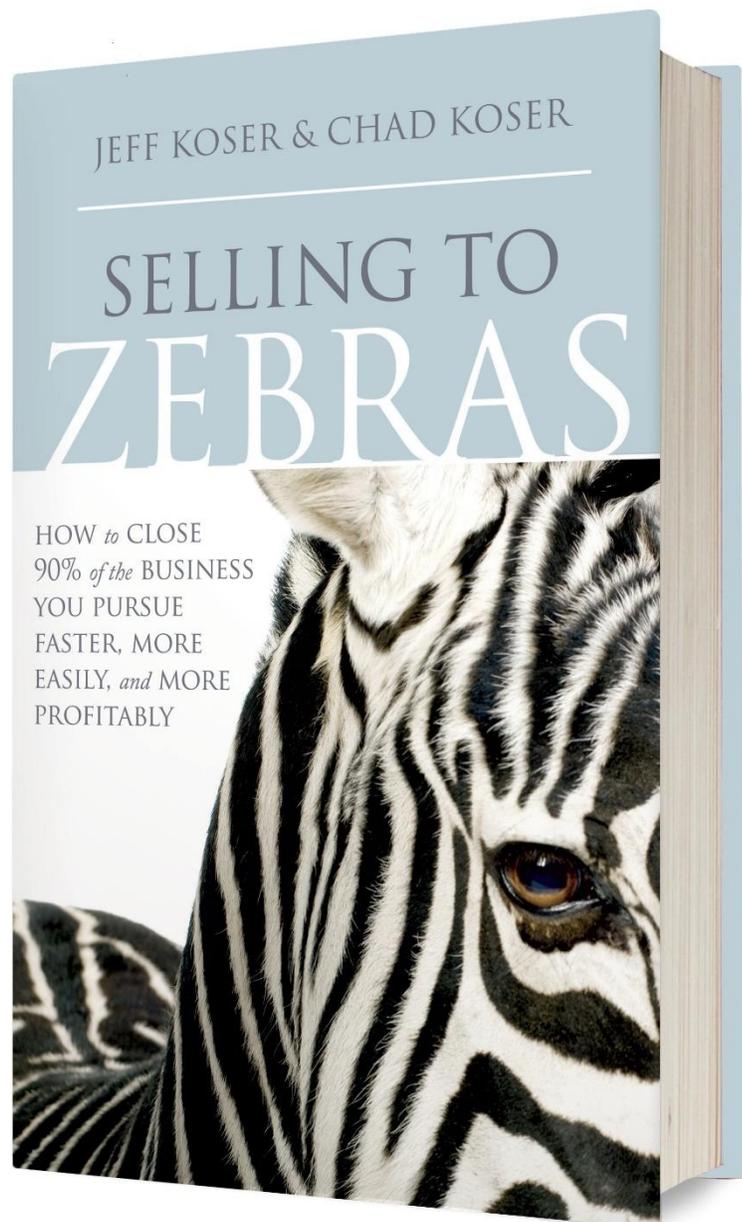


# VOICE OF THE CUSTOMER

## CUSTOMER ANALYSIS GUIDE



# THE BUSINESS CHALLENGE

What is the number-one revenue-generation problem facing entrepreneurial organizations? As revealed through cross-functional interviews of executives over the past several years, most entrepreneurial organizations don't know the business problem they solve. Their companies track prospects. Create marketing plans and presentations. Enter and monitor forecasts. Make and evaluate sales. But the answer to a fundamental question goes unanswered. In the eyes of Power, the person who signed off on the purchase of your product, what problem did you solve that caused her to buy?

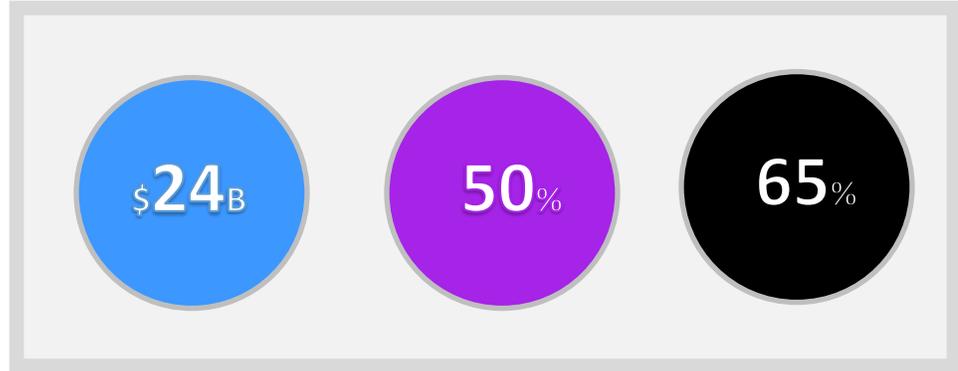
How serious is this problem? Well, if you don't know the problem you solve, business development, sales, solution engineers, product marketing, marketing, solution delivery, customer service and even R&D will be misaligned and wasting massive amounts of time and resources. The average company closes 15% of its forecasted sales pipeline. This means that **enterprises waste 85% of their time on activities that will never produce revenue.**

*The average company closes 15% of its forecasted sales pipeline. Enterprises waste 85% of their time on activities that will never produce revenue due to misaligned resources.*



As a result of this poor conversion rate, sales people dismiss most leads. Hint: sales people are smart and won't be coerced into doing anything that **THEY DON'T BELIEVE WILL TURN INTO A SALE**. The evidence of this is the poor adoption of customer relationship management (CRM) systems.

[Gartner](#) forecasts that companies will spend almost \$24B on CRM software per year, but only 50% of salespeople actually use the software and process. Salesforce, the world's #1 CRM, has an adoption rate of only 65%.



[Gartner](#) forecasts that companies spend almost \$24 billion on CRM software per year. This large capital commitment makes it clear that business leaders around the world see CRM systems as a strategic investment that should produce significant ROI. According to Salesforce, maker of the world's #1 CRM app, despite the money spent on these systems, CRM industry-wide only 50% of salespeople actually use the software and process that are ostensibly designed to help them sell more. Even Salesforce's own app has an adoption rate of only 65%.

[MarketingSherpa, LLC](#) defines poor adoption of software and process as anything less than 74%. CRMs are clearly poorly adopted. But why? The problem is they are management-facing not sales-facing. That is, they help managers monitor sales. As a result, managers push for adoption. Sales people know that much of the business work required by the CRM doesn't actually help them sell, so they resist adoption. With an industry best adoption rate of only 65%, obviously sellers are winning by refusing to adopt.

The problem doesn't end with the CRM. Resource misalignment permeates organizations. Sales, solution engineers, even R&D end up investing resources on prospects who won't buy 85% of the time.

Consider these examples.

Marketing and product marketing teams strategize and develop content bait to lure prospects and customers on websites and in emails.

They then score prospects and customers based on their engagement (as measured by whitepaper downloads and the like) to identify good prospects and at-risk customers - **all without knowing what business problem they solve**. Power doesn't care about your innovations, product specifications, features or functions, as positioned in marketing materials, unless they solve a problem they care about. If you don't know what motivates Power, how can you score and accurately determine if they will buy, or buy again – no matter how many times your click bait is taken?

Then, there's the problem of a squirrel or shiny penny catching someone's attention and becoming the Deal of the Day. Suddenly, resources are pulled in a new direction. And, no-one is immune. Even R&D work on new product enhancement can get redirected to satisfy a large Deal of the Day.

Customer service and post-sale delivery teams are affected by misalignment too. They struggle to satisfy customers who don't know what success looks like – all the while, not knowing the answer themselves. The problem is that metrics for success, structured around the problem to be solved, were never investigated during the sales cycle and built into the proposal.

Without a clear definition of the customer's problem, and the expected value created by solving it, teams tasked with delivering solutions have difficulty delivering on-time and on-budget because they don't know where the goal posts lie. Customer satisfaction suffers, and client retention drops to an unsustainable 80-85%.

These are very big organizational challenges.

## THE STRATEGIC SOLUTION

The solution starts with an understanding of why Power bought. We can gain this knowledge by conducting a Voice of the Customer - Customer Analysis.

A Customer Analysis is a process whereby you connect with key, targeted customers to determine, in their eyes, the business problem you solve and the value you create.

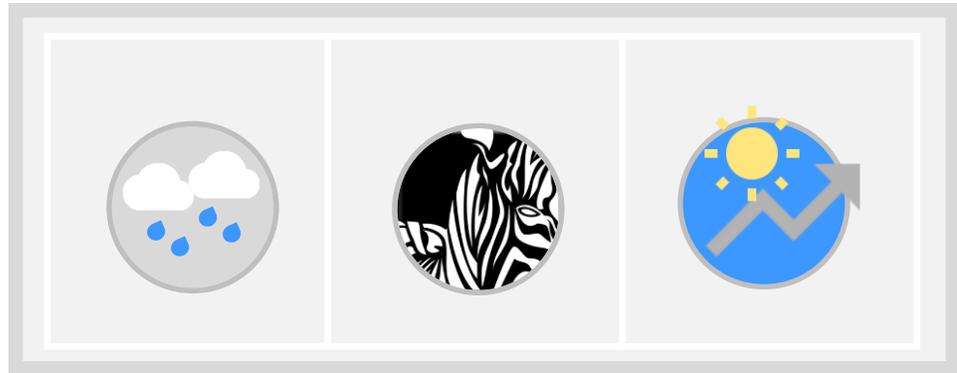
*Without a clear definition of the customer's problem, and the expected value created by solving it, teams tasked with delivering solutions have difficulty delivering on-time and on-budget because they don't know where the goal posts lie.*

*Power: The person who owns the business problem you solve and can purchase even without a budget.*

To decide which customers to analyze, start by building your Zebra. A Zebra is your perfect prospect. How to build your Zebra has been chronicled in the award-winning book *Selling to Zebras, HOW TO CLOSE 90% of the BUSINESS YOU PURSUE FASTER, MORE EASILY and MORE PROFITABLY*. You can receive a free hard copy for the price of shipping at <https://www.sellingtozebras.com/shop>

Your Zebra is the prospect that is a perfect fit for your company—and not just from a product or solution perspective. It is a prospect that has a business problem you can solve; one you can win based on identifiable, objective characteristics; and one for whom you can create unique value. We call this perfect prospect a Zebra because once you've identified its characteristics, you can quickly and easily spot it amid all the other prospects. Just as a Zebra's stripes make it stand out from all the other animals — you'll know your perfect prospect when you see one.

There is also a free copy of our [Building your Zebra eBook](#).



Once your Zebra has been identified, you'll know which customers you will want to target to conduct the customer analysis...

Because not everyone will be willing or available to talk to you, target double the number of customers you intend to analyze. So, if you intend to create ten Customer Analyses (CAs), target twenty customers.

### **Preparation for CAs**

Research your customer. Find out who sold the account and who supports them today. Gather information about what they bought or buy and why. And identify Power.



We created a spreadsheet that will help you organize the information you discover. You will need all this information before you attempt to schedule your CAs. Click on the graphic to the left for your free copy.

*It is common for others in the organization not to know why Power bought – or even who Power is. Learning who Power is, the Power-level business issues you solve and the value you create by solving them is a key deliverable of the CA.*

The business reasons that motivate Power to buy are often different than those of your everyday users. As a result, getting Power’s perspective is critical to the success of the CA process. It is common for others in the organization not to know why Power bought - or even who Power is. Learning who Power is, the Power-level business issues you solve and the value you create by solving them is a key deliverable of the CA.

Now you’re ready to attempt to schedule your first CA. Call and email a message to Power. The example below shows how to communicate your purpose to help you book the CA appointments.



### Sample email and talk track

Hi,

(your company name here) is currently conducting customer research to improve your experience and serve you and future clients more effectively. We respect and value your time so we would limit the call to about 45-60 minutes. Please accept an email invitation in the next few days from \_\_\_\_\_’s Vice President of Client Success, \_\_\_\_\_ to schedule a time to speak with \_\_\_\_\_.

Some sample questions \_\_\_\_ will ask regarding (your company name here)’s experience:

Was a formal business case created prior to purchase?

In addition to you, who are the executive sponsors of this project?

What promises were made and specific business challenges existed which helped get the project approved?

How are you defining and measuring success?

We commit to using this research to further enhance our relationship and will share the results of our findings when completed.

The metrics we identify will help us measure our ability to deliver the results we both expect. Your organization’s identity will not be shared without written permission.

Respectfully,

It can take weeks to schedule CAs. Remember you are in pursuit of Power. You may or may not have a current relationship with Power. It takes classy persistence to connect and schedule these appointments. Be patient, respectful and tenacious. Classy persistence leaves them feeling good about your brand and ensures you will eventually get them scheduled for a CA.

Doing your homework will help you schedule the CA with Power, because if your initial message doesn't work, your follow-up messaging will need to become increasingly more targeted. And then, when you do get them scheduled and conduct the CA, your knowledge of the account will help ensure a successful result.

*It takes classy persistence to connect and schedule these appointments. Be patient, respectful and tenacious. Classy persistence leaves them feeling good about your brand and ensures you will eventually get them scheduled for a CA.*

## Research the client

Learn what you can about the client from multiple sources:

- Website
- Case studies and white papers
- Industry articles and case studies
- Industry book(s)

It's important to re-emphasize here... You *might* need this depth of knowledge about the account to schedule your CA with Power. You will **definitely** need this information to successfully conduct the CA.

## Conducting the CA

These are questions which will help you conduct the CA. You will recognize that the first four questions are from the introductory message that helped you get the appointment.



### Questions to Ask When Conducting the Customer Analysis:

Was a formal business case created prior to purchase? Please describe.

In addition to you, who are the executive sponsors of this project?

What promises were made and specific business challenges existed which helped get the project approved?

How are you defining and measuring success?

If the CFO came to you and said we are reducing budgets, how would you defend the money you spend on an annual basis on our product?

Clients have said that this product(s) helps them increase their revenue by doing 1, 2 and 3. Have you experienced something similar? Do you think you're getting all of the value that is possible from use of the solution?

Other clients have reported eliminating hard dollar costs such as 1, 2 and 3. Can you describe your experience relative to these best-practice, cost-reduction benefits?

Clients reported productivity increased because of \_\_\_\_\_. What has been your experience?

Clients reported reduced costs associated with compliance and sustainability. How do you compare?

What other questions should I have asked you which I didn't?



Once the research on the customer's industry is completed, you'll be even more prepared to ask deeper questions which will create meaningful dialog and produce metrics-based results and valuable customer insights and quotes.



*As you can tell, these questions are deeper than those posed in a typical customer reference call or case study interview. They show you did your homework.*

### Example Live Questions Leveraging Deeper Industry Knowledge:

The industry average turnover is \_\_\_\_\_. Do you compare favorably with the industry average? Did your business case for the \_\_\_\_\_ solution improve the turnover metric?

The book [The ROI of Human Capital](#) suggests the following formula for calculating the cost of turnover. How do you calculate the cost of turnover? The costs generally include:

1. \_\_\_\_
2. \_\_\_\_

Based on this information and your reduction in turnover, the savings is about \_\_\_\_\_. Your thoughts?

During my research of your industry I calculated the average revenue per employee is \_\_\_\_\_. There are key metrics that affect a company's average revenue per employee. One of those is employee longevity.

Here are all the reasons our solution helps you retain employees and lower involuntary turnover:

1. \_\_\_\_
2. \_\_\_\_

You're able to calculate average employee tenure and turnover (including involuntary turnover, the most important kind of turnover) now that you have implemented our solution. If I told you that research from the book [The Loyalty Effect](#) proves that the revenue-generating contribution of a 7-year employee versus a 1-year employee was 2.7x difference for the following reasons:

1. \_\_\_\_
2. \_\_\_\_

...could we calculate the value of lowering turnover in your organization? Let's do it together.

---

---

*Ask permission to call back or email if other conversations uncover sources of value that you'd like discuss again.*

*There is another key to getting deep information. Promise anonymity for both the customer and the person interviewed.*

*...almost every customer starts out by saying they don't usually share the information I am asking about. Then, they almost always do.*

Questions like these drive engagement and uncover measurable results tied to real business problems. The two industry books provide understanding and give you additional credibility. Both books are valuable independent sources identifying how to quantify impacts. This level of preparation will help ensure the conversation is engaging and productive. Can you feel the power in this?

As you can tell, these questions are deeper than those posed in a typical customer reference call or case study interview. They show you did your homework. They show you have attempted to understand your customer's reasons for buying the product/program/solution. You are earning Power's trust and the right to get measurable answers. With proper preparation, it is possible to obtain the metrics you seek on the first call. But sometimes you can't get everything. Here are tips for getting "the whole story."

Often you will learn of value that other customers derived from your solution as you continue to do the CAs. At the end of your call, ask permission to call back or email if your other conversations uncover sources of value that you'd like discuss with the person. To do this you say: "Often as my customer analysis work progresses, I'll learn of value that others have gotten that you might also be receiving and not even realize. Do you mind if I follow up with you to share my findings and get your opinion and input?" Customers always say "yes." Always follow up, and ask additional questions. It's also fruitful to circle back to a line of questioning where they had results but were not completely ready to share them. The second time you ask, you'll get metrics. You will be amazed at what you will learn.

It's also very effective to email a hypothesis of value that you believe they are receiving as a follow-up message after your initial conversation. Ask them to evaluate and comment on the way you framed the business problem and financial value. Zebrafi will even have the customer edit our emails to "get it right," then ask permission to use their "edited, collaboratively produced" email for quotes and results.

You will get great deep information through the type of preparation described above. There is another key to getting economic information. Promise anonymity for both the customer and the person interviewed. Explain that you will produce a graphic that shows "all the customers



that contributed CAs and metrics” but that you won’t link any quotes to specific customers. Emphasize this point!

These techniques have allowed Zebrafi to gather metrics from about half of the global 2000 and hundreds of others. Accounts such as Airbus, Bristol Myers Squibb, Caterpillar, Fidelity, Hardees, HP, Humana, John Deere, Johnson Controls, Johnson & Johnson, JPMorgan Chase, Macy’s, Pfizer, Proctor and Gamble, PG&E, Phillips, Siemens, The United States Navy, Thomson Reuters, Time, T. Rowe Price, Visa, Walmart, Wells Fargo, Unilever, Xerox, Yum, and enterprising but smaller companies like Baytech Games, Chemdesign, Edwards Manufacturing, Johnson Level, Zero Zone, hundreds of other small to mid-size organizations have participated. And, almost every customer starts out by saying they don’t usually share the information we are asking about. Then, they almost always do.

Customers want to help you, so, ask them to. Then, help them help you by:

*Customers are sometimes reluctant to share how much money they saved or other measurable results for fear the price will go up the next time they renew.*

- Showing you care through thorough preparation
- Guaranteeing anonymity
- Promising to share the overall findings when you are done so you can give back something of value
- Offering to produce a business case for them as follow-up to demonstrate the end result of the process
- Always following up a second time

*...promise, then instruct your organization, not to use their CA to justify a higher price.*

Oh, and promise them your company will not use their metrics against them. What does that mean? Customers are sometimes reluctant to share how much money they saved or other measurable results for fear the price will go up the next time they renew. You must promise, then instruct your organization, not to use their CA to justify a higher price. It is fair game however, to use CAs from other customers to justify a higher price.

Once you have prepared your detailed questions, you are ready to conduct your first CA with Power. After each CA, you’ll get smarter. Capture what you’ve learned by improving the questions you ask during each subsequent CA. Circle back to those whom you have already spoken with and ask the additional questions.

## **Write Up Your Findings**

The findings you obtain through the CAs should be written up like case studies - with one important caveat. Most case studies read more like

references. They don't tell a story. The stories you learn need to be told. You, your people, each cross-functional department that touches customers, and of course, your future revenue-generation efforts will all benefit from the stories told in the "Results" section of the CA write-up. The detail provided by the customer should be shared. The more detail, the better the CA.

The CA write-up will have these sections in this order:

- Business Impact
- Business Description
- Critical Business Issues
- Results
- Metrics

*These are the reasons Power approved the project/purchase/solution and became a customer.*

### **Business Impact**

The business impact section identifies the categories of value that have been affected. Revenue, cost-savings, productivity and compliance are the four areas of value that are most often affected.

### **Business Description**

The business description describes the organization's business without using the name or brand.

### **Critical Business Issues (CBIs)**

These are the reasons Power approved the project/purchase/solution and became a customer. These are the Power-level business issues discovered as a result of the CA. These are **why Power bought**.

Each of the following are real-life examples of business issues addressed by our client companies' products and solutions. All examples are Power-level business issues and very important for the organizations. They are just some of the 6-10 critical business issues identified for each company. None of these were known issues prior to the performance of the CAs.





## Examples of Actual Critical Business Issues:

### Consulting Service Provider

- Labor costs growing YOY while top-line growth is stunted
- Average order deal size stagnant
- Production line disruption due to lack of cross-trained associates

### Manufacturer

- Complex supply chain, large number of vendors creating delays and quality issues
- Numerous SKUs and configurations create complexity
- Prolific launcher of new products

### Software Developer

- Facilitate diversification of services to support growth strategy
- Speed entry into new growth market
- Simplify and reduce cost of compliance

*But, they were not aware that some of their biggest customers and Zebras bought for a reason that - while related to these attributes - was far more powerful.*

## Results

This is where you tell the stories and share the powerful quotes from the CA process.

For example, the manufacturer in the example above took pride in creating differentiation by being a quality, on-time-delivery and do-what-is-promised supplier. But, they were not aware that some of their biggest customers and Zebras bought for a reason that - while related to these attributes - was far more powerful. Customers increased their year-over-year purchases from this manufacturer because it never disrupted their manufacturing supply chain. The value of NEVER disrupting the supply chain, day-to-day, month-to-month and literally year-to-year, created millions of dollars in revenue - and value - for their customers. When you truly understand the industry, and learn that the cost of factory down-time is \$22,000 per minute, you can begin to appreciate the value of a supplier who is NEVER the cause of factory

down-time. Almost every client that is a Zebra will have a similar story to tell. And they become GREAT stories to leverage into a strong, go-to-market strategy for your business.

## **Metrics**

The final section of the CA writeup is the metrics section. This section identifies in bullet format the measurable, qualitative and quantitative results that Power attributes to your solution. These metrics become the raw material upon which you will build business with future customers.

Samples of actual metrics gathered during the CA process:

### **Metrics – Consulting Service Provider**

- Reduced lead time from six weeks to two weeks (300% improvement)
- Eliminated the need for another manufacturing plant, resulting in capital cost avoidance of \$50 million
- Goal was to reduce setup times by 50% company-wide — 70% was achieved, saving the equivalent of presses (\$30 million in capital cost-avoidance)
- Actual customer request dates achieved 87% of the time (previous best - 80%)

### **Metrics – Manufacturer**

- Raised average ticket price by 428% and high-end by 200%
- Increased sales of a new product line by 30% over forecast
- Eliminated supply chain plant disruptions—cost avoidance of \$500k per incident (average 2.5 incidents per year with other suppliers)
- 30% reduction in order-to-delivery supply chain, eliminating inventory obsolescence, saving millions

### **Metrics – Software Company**

- Pushed boundaries of speed and agility, delivering in three months what used to take twelve



- Saved an estimated \$2.3 million over three years through the elimination of traditional old-line data providers' predatory pricing practices
- Simplified and annually reduced the cost of compliance by \$1.5M
- Leveraged solution to shifted from a money-losing media company to a profitable, revenue-producing product company (with margins higher than competing media companies)

## BUSINESS BENEFIT

Voice of the Customer – Customer Analysis involves work that creates lasting measurable value. The following two companies demonstrate the value created when the entire organization understands the problem you solve in the eyes of Power, the person who signed off on the product purchase. A go-to-market strategy that brings cross-functional alignment to solving Power's problem produces impressive, measurable results.



 [View Video](#)

## Vivisimo Sample



**Kevin Calderwood**  
Former President

The go-to-market, business-changing software and services from Zebrafi, with deep reliance on Voice of the Customer – Customer Analysis, was introduced at Vivisimo. The organization quickly learned how to identify its perfect prospect (Zebra), engage the person with budget-level authority (Power) early in the process and sell the product’s business value rather than its features and benefits (identified by the CAs). This represented a seismic change for a team that had traditionally pitched products to mid-level technology managers.

Vivisimo saw fast and dramatic results. Revenue and profit increased significantly within three quarters and over the course of thirty months:

- Average sales price increased more than 400%
- Installed base revenue increased 55%
- Year-over-year revenue increased 31%

*Vivisimo achieved these results because the Zebra™ software and go-to-market process changed its sales paradigm. The company no longer competed feature-for-feature with its competitors. It didn’t chase every prospect or respond to every RFP. Instead, Vivisimo sought out its most desirable prospects (Zebras), got access early on to executives with budget authority (Power) and spoke in a language that they understood – business value.*

*Vivisimo was purchased by IBM for many times revenue.*



[View Video](#)

## Serigraph Sample



**Todd Schneider**

CFO/COO

The go-to-market, business changing software and services from Zebrafi, with a deep reliance on Voice of the Customer – Customer Analysis, was introduced at Serigraph. The last area of the business to be integrated into the lean culture at Serigraph was sales. Serigraph as an organization had allowed sales to operate independent of the continuous improvement culture embraced by the rest of the organization. Resources invested in deals without proper qualification resulted in cross-functional organizational waste. The activity-driven process compounded the cost of coming in second. The process needed to shift from demonstrating features and functions to closing gaps and establishing value. Today, the go-to-market, Zebrafi lean approach has been cross-functionally adopted and organizationally integrated. The results are impressive:

- Qualified pipeline has increased 25%
- Revenue in first six months increased 100% YOY
- Reduction in the length of the sales cycle is 25.11%

*These results became possible because Serigraph identifies "Power" within the prospect organization, understands the problem they solve, and partners with that person to verify the value of a Serigraph solution.*

*This ensures that Serigraph sells to Power, the person with purchasing authority, and cultivates buy-in early in the process. Using a business case automatically generated by the Zebra software, Serigraph demonstrates how they solve real business problems and create measurable results for the customer.*

# ABOUT US



Zebrafi is the software company that helps organizations profitably increase revenue. The Zebras™ Software platform helps start each sales engagement in a better place. The software provides “insights” that help identify Zebras, Power and the Power-level critical business issues which, when solved, create measurable value. Eliminate the waste associated with chasing deals that will not close 85% of the time. Pursue Zebras and close 90% of the business you pursue faster, more easily and more profitably. To learn more please visit [www.zebrafi.com](http://www.zebrafi.com).

