From: The Eleventh Commandment
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P xi “Whereas in the past we thought we were adding value, in fact often we were adding costs. Value only happens in the customer’s space. What goes on in that space, i.e. what customers do to get the results they want, is what new corporations need to establish, and to these activities they need to learn to *add* value”.

“Unless the value gets downstream to end-users everyone will ultimately fail”.

P 3 “Rather than just be more proficient at making and moving more products or services to meet year-end budgets, people (must) learn how to develop and build relationships, which commit customers to do business with them over a lifetime”.

P 4 “...the only way forward, of benefit to all stakeholders, is one which proactively pursues ongoing value for customers”.

P 6 Bill Gates, quoted from ‘The road ahead, 1995’ on the dangers of complacency:

> “Death can come swiftly to a market leader, by the time you have lost the positive-feedback cycle it’s often too late to change what you’ve been doing, and all the elements of the negative spiral come into play. It is often difficult to recognise that you are in a crisis and react to it when your business appears perfectly healthy”.

P 8 “...at all levels in an organisation it’s much easier to convince people to change when things are not going well or when the signals for change become obvious, than to get them to throw away what seems to be working”.

P 9 “Success can (and does) breed failure. The better the blinder so to speak. Success obscures from our vision the first signs of failure. It can make us complacent and insensitive to danger”.

“The better a corporation becomes at doing something the more difficult it is to do something else”.

P 19 “Customers cannot easily express what they may or may not want in products and services, or how they intend to behave in a world they have not yet experienced”.

P 21 “Curiously, concepts like customer satisfaction, which occur after the fact, have lulled firms into a false sense of security about their relationship with the market”.

“One reason is that often data is related to static criteria like the attributes or features of the product and services (easy to measure), instead of the overall customer experience”.

“In fact, statistics from the United States show that between 65% and 85% of customers who switched automobile brands said they were very satisfied. Satisfaction scores averaging up to 85% to 95% while repurchase rates average only 40%”.

P 25 “When still being run by an analytic bias, management takes a narrow view of reality. Historic (hard) facts overrule intuitive or creative feelings about market position”.

P 36 “Only when thinking starts with end-users, and works back into the organisation, can we hope to ‘own’ customers”.

P 60 “From a good mission everything follows:

Decisions on resource allocation.
New product and service innovations.
With whom to partner.
Redeployment of people.
New capability building.
Where and how to generate profit”.

“But what makes a mission good? Here is a list of 12 criteria.
A good mission:

1. Has integrity - a true sense of purpose - something the corporation intends to do and deliver better than anyone else.
2. Has a distinguishing notion (a good mission can be stated as a story or a slogan), something which makes it unique and gives it a distinctive position in the chosen market/s.
3. Should be meaningful and relevant - and make a tangible difference to personal and/or work lives.
4. Is enduring and extendable, is able to sustain relationships.
5. Communicates easily and memorably - encapsulating both a purpose for the firm and a promise to customers.
6. Is simple (as opposed to simplistic).
7. Is grounded in values with which employees can associate.
8. Is easily translated into specific behaviours - from a good mission, employees should know what to do differently, or what different activities to do.
9. Is distinctive - it is memorable and ‘new/novel’, not only gets people pointed in the same direction, but energised.
10. Is credible but not confining - capturing competencies the corporation either has the potential to quickly acquire.
11. Pulls together resources from various parts of the company”.

P 78 “While market segmentation is not new, it’s amazing how even today many corporations still don’t give it the attention it deserves”.

P 91 “Despite everything that’s said about what can be done to drive a corporation to the market place, managing resistance and resistors is a crucial part.

There are three ‘givens’ in this respect.

One, resistance is not linked to seniority. Some of the most resistance you will find in the highest places.
Two, linked to this: often the most powerful people are those whose knowledge, feel and experience are most out of touch with new customer logic.
And, following this, three, the people who motivate and drive the corporation forward, and turn ideas, concepts and frameworks into a new corporate way, are to be found everywhere within the organisation”.

P 103 “Remember, often the biggest (in revenue terms) customers won’t be the first to accept (new ideas), or be the best bet in the long term”.

P 110 “If the flow in the experience breaks down at end-customer level everybody loses”.

P 113 “By understanding the results customers are after, and mapping the critical activities in their experience that go to achieve these results, new corporations are able to identify the potential for *adding* value”.

“The customer activity cycle (CAC) is a methodology which enables these new corporations to do this in a creative yet practical way”.

“The CAC is not a model of buying behaviour. Rather it encompasses the whole set of activities a customer goes through pre, during and post experiences to obtain a result”.

P 116 “The first step in any CAC exercise is to map the critical value adding points customers go through to get the results they want. (These customer results should coincide with the corporation’s mission such as ‘trouble-free operations’ etc”.

P 133 “Increasingly, customers will be looking for single source (or fewer) suppliers as partners, so as to free themselves to spend time, energy and resources on their own extended core activities”.

P 141 “Customers couldn’t care less how we are structured, who owns or reports to whom, so long as they get the results they want - delivered when, where and how they want them”.

P 181 “Instead of telling people what they must do, the new corporation must now tell people what it expects. Instead of telling them how to do things, it must create the context and environment and provide the enablers to help them get on and do what needs to be done”.

P 189 “Zurich Insurance Australia has done some interesting work in making tangible, and placing a value on, their know-how. This checklist comes from them, and was successfully used for customers in the transportation industry:

They ask:

1. What are the issues for that particular industry?
2. What are the issues for that individual business?
3. What is the customer *doing* to serve its customers?
4. What could prevent that customer from *doing* what meets its customers needs?
5. What would be the consequences of that?
6. What value would the customer ascribe to a service that would minimise the risk of not meeting its customer’s needs?

P 190 “Constantly accumulating what is known and being learnt, and spreading this, is part of the ongoing process of learning that new corporations have to go through in order to build capabilities to ‘own’ customers. Think about these propositions:

Proposition 1: If things are always routine, we are not learning.
Proposition 2: If things are always spontaneous, we are not learning”.

P 196 “No longer can corporations just repeat and get better at past experiences, they need to experiment and learn, in order to grow”.

“No longer can they simply respond to customer requests and that way improve performance. They must anticipate the possibilities, for and with customers”.

P 205 “Initiatives which lead to real customer transformation don’t all show quick bottom line results. Yet firms continue to use minds and methods which are based on the short term”

“They focus on a point in time rather than demonstrating the value of and for customers over time. They continue to ask: what will it cost now and what will our return be now?

New corporations ask a different set of questions:

1. What will it cost if we don’t do it?
2. What return can we get from customers over their lifetime, if we do it better than anyone else?
3. What will this take?
4. What will this cost?
5. What will we lose if we don’t do it?
6. And what will that cost?”

“In truth most corporations continue to judge in the short term, because they are judged in the short term (did you know that according to Navajo Indian folklore, a chief cannot make a decision unless he has considered its possible effects on seven generations hence?)”.