



Misty River Consulting

Value Delivery Systems



Donald A. Kerper
Misty River Consulting
511 South Vine Ave.
Marshfield, WI 54449
715-387-0718
misty@mistryriver.net

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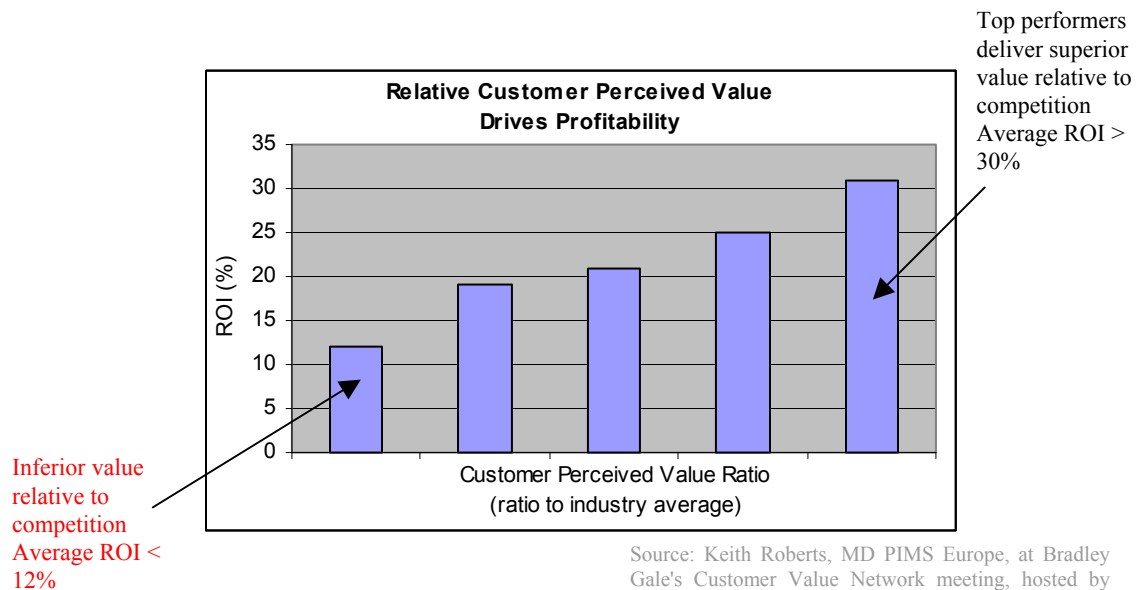
Value Delivery System

As one reflects on organizational performance, no one needs to say things have changed - that fact is very obvious for anybody who is running an organization. Competition is fierce in the marketing contests that companies find themselves in and few of these contests end in a tie. The judge of these contests is the customer. They determine whether your products and services provide them value or not. And, they alone decide whether the value found in your company's products and services are superior to their other choices that are offered by your competitor.

Typically, the companies that are winning the market game are ones that have systematically assessed, chosen, and communicated their Value Proposition to their customers. But, most important, they are delivering product/service in a manner that is consistent with its value proposition.

Benefits

In the diagram shown below the benefit of providing superior value is shown based on the PIMS (Profit Impact of Market Strategy) program, a multi-year, cross sectional study of thousands of businesses worldwide performed by Gale Consulting of the United Kingdom. The businesses are sorted according to their customer-perceived value performance levels, expressed as a ratio relative to their industry average. Within any market, the average relative value ratio is 1.0. The businesses in the left-most bar have inferior value relative to competition. Their average return on investment was about 12%. At the other end of the spectrum were the top performers in terms of relative value. Their return on investment was over 30%. Relative value differences have accounted for an increase in ROI of approximately 250%.



Source: Keith Roberts, MD PIMS Europe, at Bradley Gale's Customer Value Network meeting, hosted by Lever, Kingston, UK, June 1997. Data: PIMS Database.

Positioning The Organization

To position an organization so that it is providing superior value to its customers in a profitable fashion, several actions are taken that include:

- Carefully considering their company's core competencies.
- Identifying what customers or potential customers would find valuable within current or potential market channels.
- Assessing the competition's ability to provide value within these different market channels.
- Studying the profit potential of the product / service offering alternatives near as well as long term.
- Studying the current infrastructure's ability to deliver in a sustainable fashion.

After doing the above, these companies deliberately choose, create, and execute a Value Delivery System (VDS) that provides superior value to those customers and that is profitable and sustainable. The VDS they choose to provide and communicate to their target customer increases the probability that those target customers' will choose their company's products and services over the customers' other alternatives of choice.



The Foundation of an Effective VDS

An effective VDS is founded on two premises:

- 1) Customers have the right to choose from a wide variety of alternatives to meet their needs using criteria that is in their best interests.
- 2) Every company has the right to choose its customer, what benefits it will provide, and at what price it will offer those benefits.

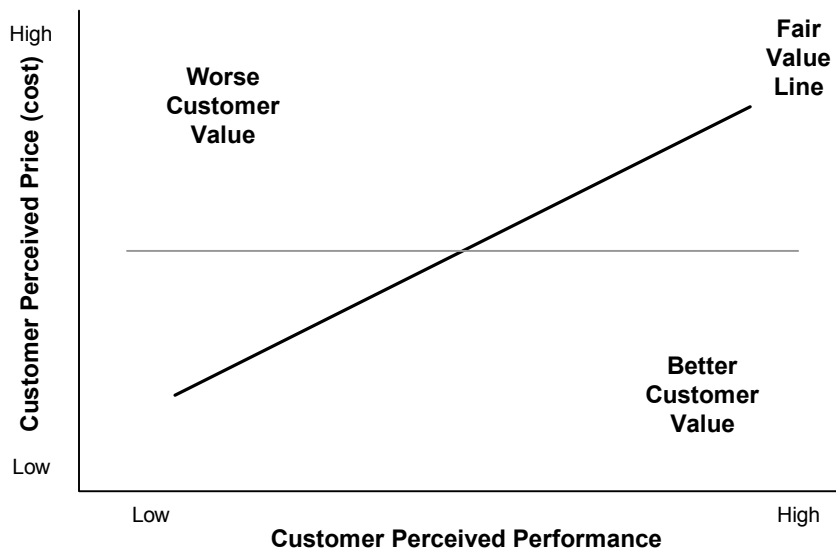
Value Related Definitions

As a company embarks on assessing and improving on its VDS so that it is perceived as providing superior value, several definitions of terms will be helpful. These definitions include:

Benefit: The perceived end result of and/or judgment about doing business with your company as perceived by the customer.

Price: The total costs to the customer as perceived by the customer that include sales price, costs of using your product and services, degree of ease experiencing transactions with you, etc.

Value: The Benefit minus the Price. Value represents a buyer's overall evaluation of the utility of a product or service based on perceptions of the net benefits vs. what must be given up.



Superior Value Delivery: The customer believes that your company provides a net value that is greater than the other alternatives that the customer presently perceives exist for them.

Consider the following examples for a moment. In the 1970's, Honda was providing cars that had benefits perceived to be better as compared to the GM alternatives: gas mileage, options, reliability, etc. Honda was also selling these vehicles at lower prices than the standard GM vehicles. When the benefits minus the price of the Hondas (Honda value) were compared to the benefits minus the prices of the GM vehicle (GM value), Honda was perceived to be providing superior value to the market place. Consequently, GM lost market share while Honda gained.

Example	Benefits	minus	Price	equals	Value
Honda vs. GM (early 1970's)	Advantage ++	→	Advantage +	→	Superior Value +++
Macintosh vs. PC (present)	Even	→	Disadvantage -	→	Inferior Value -
DeWalt vs. Craftsman Power Tools	Advantage ++	→	Disadvantage -	→	Superior Value +

The Common Sense of Superior Value

Given the aforementioned premises, definitions, and examples, common sense would tell us that a company's VDS will be considered competitively superior by the customer depending on the following:

- 1) The degree to which your company is able to understand that customers will pick the alternative they perceive provides them the most value as compared to the competitor.
- 2) The degree to which your company is able to target its customers and design its products and services to meet those needs as compared to the competitor.
- 3) The degree to which your company is able to design, restructure, and operate its processes and infrastructure to make and provide the needed products and services as compared to the competitor.

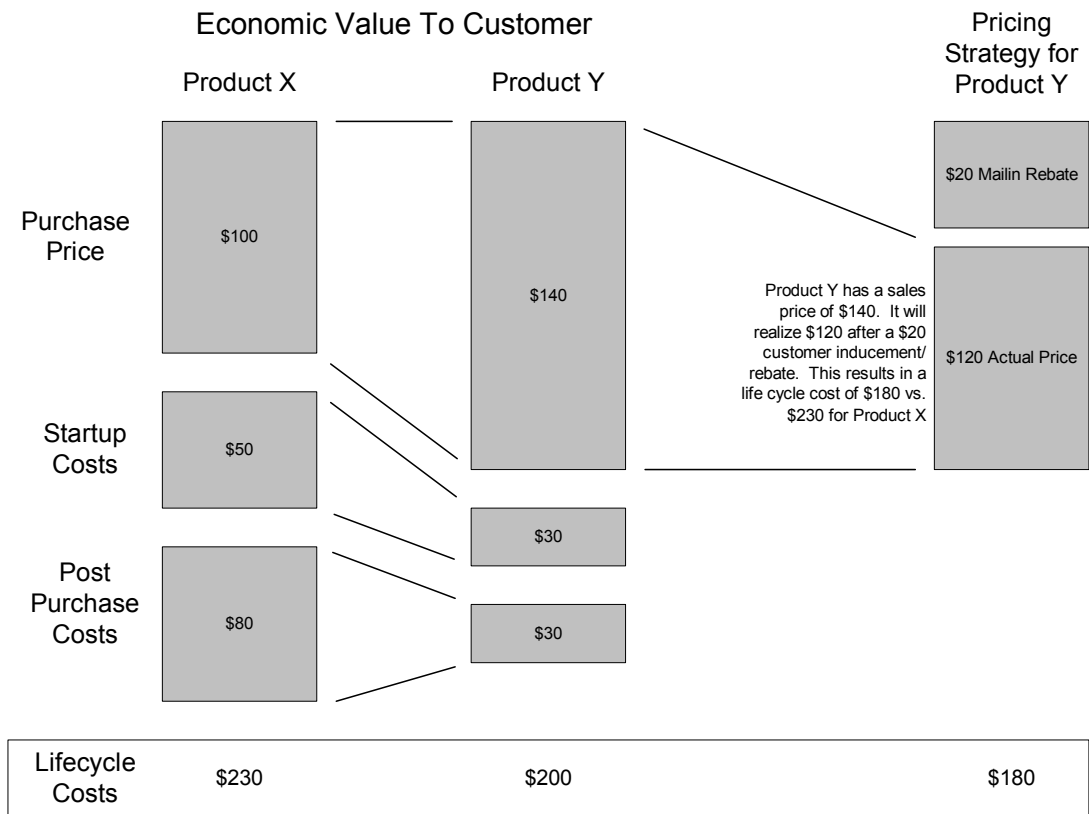


- 4) The degree to which your company is able to communicate to the customer the value, benefit, and price of doing business with your company as compared to the competitor.
- 5) The degree to which your company is able to execute the above to create a customer experience of value that is superior to the competitor.

Each of these five components is critical in achieving the overall goal of creating a perception in your customers that your VDS is superior to the customer's other alternative choices. The more these five components are "clicking" properly, the higher the probability that you will continue your relationship with your customers, grow your business with your customers, and command a premium for your products and services.

The bottom line is that the customer, the entity that, first, decides whether value exists and, secondly, decides whether the value is superior to other alternatives, will always look after their interests, not yours as the supplier or vendor. The only way one knows what really provides value to customers is to listen to them carefully. Managers must avoid thinking for the customer or assuming that their point of view is representative of customers. What is important is to provide something that meets the true needs of the customer in a manner that is considered to be a better value than their other alternatives. It is also important to state what that value will be and demonstrate it consistently over time.

For example, in the below diagram, two products are assessed. When summing the purchase costs and the post purchase costs, Product Y has the lower lifecycle costs. This lower total cost will be beneficial to customers, but may not be perceived as superior until after the customer has used the product for some time since the actual purchase price of Y is higher than Product X.



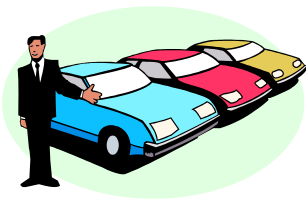
Because of this, the customer is induced to purchase Product Y through warranty programs and purchase rebates. The rebate and warranty create a higher probability that the

initial purchase will occur. In the long term, creation of a superior value perception will occur over the life of the product through the customer's use of the product. This will then lead to higher customer retention and repeat business. But in the short term, it is critical for the supplier to state what the superior value will be and then to deliver it consistently and reliably.

VDS Types

The typical company's VDS falls along a continuum of several VDS types. No company is typically just one of these types, but usually is a composite of several of them. The Value Delivery System types include the following:

- 1) The Sales Obsessed Organization
- 2) The Regulatory Conforming Organization
- 3) The Financial Gain Organization
- 4) The Mystical Marketing Organization
- 5) The Manufacturing Efficiency Driven Organization
- 6) The Technology Driven Organization
- 7) The Raw Material Driven Organization
- 8) The Customer Compelled Organization
- 9) The Market Focused Organization



The Sales Obsessed Organization

In an organization obsessed with sales, the customer is one who is the target of “please buy” persuasive techniques. Business is “hitting the streets” looking for a sell. It's a pushy game of selling what you have or what you make with little regard of the customer's actual needs nor of the potential for a long-term relationship based on dialogue and understanding. Margins are controlled by increasing sales price and sales volume - little effort or time is spent assessing and improving upon organizational efficiency.

Examples of this type of organization can be seen in standardized commodity products such as lumber, hardware, appliances, or even in such things as TV shopping.



The Regulatory Conforming Organization

Some organizations are driven by this strict desire to adhere to regulations, laws, etc. In this type of organization, the activity is driven by what rules are imposed upon the organization. The user of the products or services of this organization are not considered customers; the customers are expected by this type of organization to adhere to the rules as much as the organization does without complaint or annoyance. Typically these organizations have no competitive pressure from any other local organization.

Examples of this type of organization is evident in governmental organizations such as local Social Service agencies, the Social Security Administration, the IRS, etc.



The Financial Gain Organization

Although every business organization has a purpose of being profitable, some for profit organizations are driven by the desire to show a paper gain in net asset value. Their activity is in stark contrast to companies that make a product or service and deliver it as the primary money making vehicle.

In the Financial Gain organization, ways to increase the value of the asset are focused on. Some of these companies will acquire other companies, divisions, plants, etc., and then divest themselves of the assets or sub organizations of the acquired company in a manner that sells the pieces off for more dollars than was originally paid for the whole company.

Other companies of this type will do whatever they can in the short term to improve the balance sheet of the company, the earnings per share per quarter reported to the SEC, or other important “Wall Street” indicators to drive share value up and thus improve the overall market capitalization amount that the company has.



The Mystical Marketing Organization

The Mystical Marketing organization is an organization that appears to be “market driven”, but in reality and practice is an organization that is “marketing department” driven. The term marketing in these organizations connotes a mystical or magical set of behaviors that somehow influence the organization's ability to move product or services to the customer. Little is done to challenge this department's leadership by the rest of the organization because of the aura that the department projects with its vocabulary, sophisticated tools and strategies, and relative position to the customer.

The department projects itself in mystical, yet mechanistic, methods the average lay person knows nothing about. Segmentation, Focus Groups, Concept Testing, Protoconcepts, Blind Tests, Test Markets, Positioning, Channels, Share of Mind, Penetration, Psychographics, etc. are words used by the marketing department to portray to the rest of the organization how extremely complicated it is to design and sell products. And, because of this power, the rest of the organization jumps wildly from one offering to the next in an ineffectual and inefficient manner even though the validity of the actions undertaken are seldom actually driven by some target market or customer.

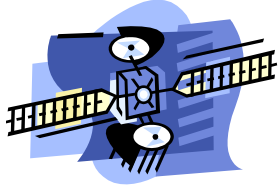
Examples of this type of company can be found in consumer product companies such as cereal, soups, soap, etc. and in many retailing organizations - especially the higher end retail outlets.



The Manufacturing Efficiency Organization

The manufacturing efficiency organization type is focused on one thing - operations - making things as fast as it can as cheaply as it can. Operations run the company. Productivity, efficiency, volume, man-hours, etc. are the focus of these companies. Sales and marketing are relegated to going out and finding a customer that will buy the product or service that operations is putting out. “We make it efficiently, now you go out and find a customer who wants it”, is the usual charge given to the sales organization.

Examples of this kind of organization can be found in almost every segment of US companies especially in the fifteen years or so after World War II when US industry was virtually without competition on a global front.



The Technology Driven Organization

Technology Driven organizations understandably make their livings by being innovative and bringing the “latest and greatest” products and services to the market. But, that’s all there is. Customers are baited with the latest and greatest due to people’s natural curiosity and due to the phase out - phase in of the new version or feature.

These companies are driven to exploit the possibilities that R&D affords. The customer is baited and phased in and out as a source of cash for supporting R&D and continued profitability. Many high technology companies fall into this organizational type. Computer companies often have their next 1.5 years of product offerings “phase out - phase in” strategies in place to insure a continuous stream of cash flow. The rate of product offering change or revision is approximately equal to the rate of technology change they have already developed.

Another interesting subset to this is management development or organizational development consulting arena. This group is always incorporating new vocabulary, new methodologies, new so-called “paradigms”, etc. to bait with the latest and greatest. Consequently, all of us have experienced the “program of the month” or something of the type.



The Raw Material Focused Organization

Organizations that tend to be driven by their desire to convert their raw material into something salable use yet another type of a Value Delivery System. In these organizations, everything is driven by the desire to convert the raw material that the companies owners have into something they can sell profitably. Customers are seen to be the means to facilitate the raw material conversion and distribution.

Examples of these companies can be found in mining, wood products when the company owns a lot of timberland, and cooperatives.



The Customer Compelled Organization

The Customer Compelled Organization is different than the other VDS organizational types found in the preceding discussion. Whereas the aforementioned types all are internally focused on some aspect of their organization, the customer compelled type is completely externally focused. The type of organization is obsessed with the customer and what they need. They seek continuous dialogue with customers and jump and sacrifice at every customer whim. Unfortunately, meeting every customer need that is stated is not necessarily in the best interests of that organization. Some companies have actually run unprofitably by focusing exclusively on satisfying customers. A company cannot be all things to all people.

Management trends such as TQM have helped facilitate the evolution of this type of organization because of TQM's heavy emphasis on customer satisfaction and lack of any emphasis on "making money".



The Market Focused Company

In all of the aforementioned organizational types, the customer and making money are not the predominant driving forces of the organization. In most of the VDS organizational types discussed, the customer takes a back seat to the other more important self-interest of the organization whether it may be - technology, raw material, efficiency, etc. In addition, these internal activities to service the internal need usually constrain the organization's efforts to make money. Even in the customer compelled organization, profitability is subjugated and often sacrificed for the sake of the customer.

In contrast, a market driven company makes "making money by providing superior value to the customer" the predominant driving force of every aspect of the organization no matter what department, plant, etc. we might be talking about. The organization's very purpose is to continuously improve its competitive advantage - its ability to deliver a superior value (benefits minus price) to customers at a cost that provides attractive (or at least adequate) returns.

VDS Considerations

Since we are talking about competitive advantage through the delivery of what is perceived to be superior value by the customer, an effective VDS takes into account several things including:

- 1) Who the customer is.
- 2) What the elements in product and service and the delivery of these products and services the customer values.
- 3) The customer's perception of the value that the competitor delivers.
- 4) To what extent you are presently capable of providing superior value and what the cost would be to organize and/or change to become superiorly capable.



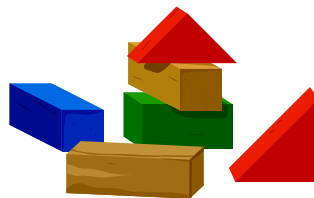
- 5) To what extent you can be profitable by delivering what the customer values.
- 6) To what extent your competitor can “leapfrog” you in delivering superior value and what you would anticipate the future costs of maintaining a competitive advantage would be.

Consideration of all these things helps companies determine with reduced risk what strategies to undertake to gain competitive advantage and what strategies and resources will be necessary to maintain a competitive advantage in a profitable fashion in the near and longer term.

The Value Delivery System Building Blocks

In order for an organization to become market driven, some new type of VDS system must be developed. One alternative for creating an effective VDS, one that provides superior value to its customers profitably, is to implement the following three steps.

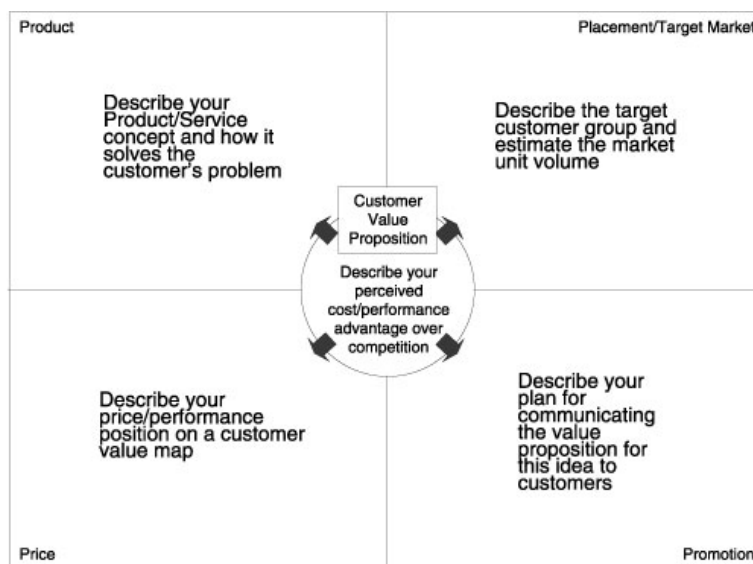
- 1) Choose a customer and a value proposition that the customer would find beneficial and that your company can make money with.



- 2) Organize in a manner that delivers to the target customer what your value proposition states in a cost effective fashion.
- 3) Communicate your value proposition to your organization and to the potential customers in order to facilitate the perception that you are delivering superior value and that you are making money doing so.

These steps essentially frame the product/service concept within what some call the 5P framework. The five P's of the 5P framework include:

- 1) Product — A description of the product/service concept and how it solves the customers' problem
- 2) Placement/target market — A description of the target customer group and estimated market unit volume
- 3) Promotion — A description of your plan for communicating the value proposition for this idea to customers



- 4) Price — a description of your price/performance position on a customer value map showing your expected “delivered value” vs. the competitors’ delivered value.
- 5) Proposition of value — i.e., value proposition

These 5P's are illustrated in the above diagram. Each contributes in some fashion to the final outcome – the creation and implementation of the VDS.

The Value Proposition

Assuming that a company has decided to become market driven and it will use the VDS model to do so, the first step in the process is the development of a Value Proposition. The value proposition is a simple, clear, internal statement of:

- 1) The target customer/market
- 2) The product/service description.
- 3) Key benefits the customer desires that you plan on delivering.
- 4) The target unit price, volume targets, overall expected profitability of that offering.
- 5) A summary of what the total value is for that customer (benefits minus price).

Company (Product)	Target Customers	Benefits	Price	Value Proposition
Perdue (chicken)	Quality conscious consumer of chicken	tenderness	10 percent premium	More tender, flavorful, golden chicken at a moderate price premium
Volvo (car)	Safety conscious "upscale" families	Durability and safety	20 percent premium	The safest, most durable wagon your family can ride in at a significant price premium
Domino's (pizza)	Convenience minded pizza lovers	Delivery speed and good quality	15 percent premium	A good pizza, delivered hot to your door within 30 minutes of ordering at a moderate price premium

Choosing A Value Proposition

An organization can have several product lines. For each main product line, that same organization usually has a wide variety of potential value propositions to choose from in most cases. Which one is chosen is a function of understanding what benefits each of the potential customers in each market segment desire, understanding what your capability is in relation to those customer needs, and understanding what your competitor is capable of in relation to those needs.

Examine the following IBM example:

Customer: Data Processing Managers (1960 - 1980)

Possible Customer Segments	Benefits Sought	Price Requirements	Approximate Size of the Segment	Likely Profitability	Competitive Situation
A	System performance	High	20 to 30% of the market	Low	Disadvantage
B	Interconnectivity flexibility	Medium	5 to 10% of the market	High	Disadvantage
C	Reliability	Low	50 to 60% of the market	High	Advantage
D	User friendly applications	Low	10 to 15% of the market	Medium	Disadvantage

As a result of this simple analysis of the various segments found above (including benefits sought, price requirements, market segment size relative to the total market, likelihood of profits, and the competitive position of IBM to its competitors), IBM picked a Value Proposition that potentially would provide them a competitive advantage in the delivery of system reliability.

“IBM will provide to Data Processing and General Managers a set of products and services of superior reliability at a substantial premium. IBM will spare no cost for its delivery of superior reliability.”

The important points in creating a Value Proposition is doing the assessment of what market/customer need you want to meet and choosing the one that makes the most sense for your organization. Once this is done, your organization can then organize itself in a way that makes your company able to effectively and efficiently deliver in a manner that hopefully gives you a competitive advantage.

Value Proposition Checklist

If your company decides to begin drawing up Value Propositions, the following checklist can help insure that your value propositions are effective in assisting your company deliver value that is perceived to be superior to the competition by your customer:

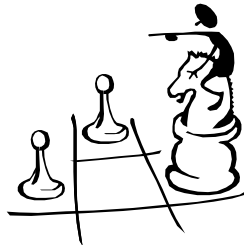
1) Target customer clearly identified?



2) End result, customer benefits explicit, specific, measurable, and a real choice?

3) Price explicitly stated?

- 4) Would the value proposition clearly be superior for target customer (better benefits, lower price, or both)?
- 5) Can we build the infrastructure & skills & rearrange the processes to deliver it?
- 6) Can we deliver it at a cost allowing adequate profit?
- 7) Viable sustainable in light of competitors and their capabilities?
- 8) The best of several value propositions we considered?
- 9) Any looming discontinuities (in technology, customer habits, regulation, market growth, etc.) that could change the game?
- 10) Clear and simple?



Providing the Value

Once the value proposition has been chosen and validated with customers, your organization can then begin to intelligently organize, restructure, re-engineer (or whatever you would like to call it) and allocate its resources to the improved capability of being able to deliver and communicate its value proposition to the market.

Referring back to the IBM example, IBM restructured themselves in a manner that gave them the capability to deliver and communicate their Value Proposition of providing superior reliability. Some of the key elements of the restructure included the following:

R&D Focused on creating a reliable design for the systems they were offering.

Manufacturing: Assembly was changed so that the methods of assembly, testing, burn in, etc. were no longer proprietary. In fact, many procedures were documented and made available to other service organizations.

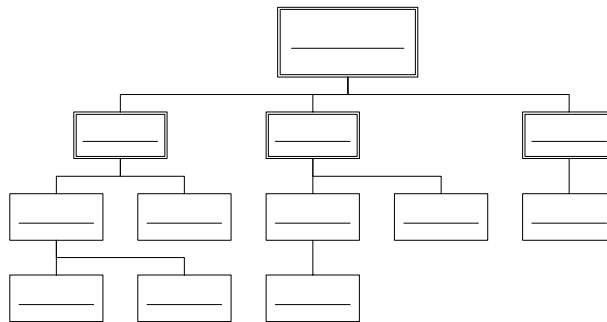
Sales: The sales organization was charged with two things. First it was to communicate the value proposition and monitor and feedback its delivery to the IBM organization. Second, it was providing an on site presence to enable IBM to participate in customer system

planning and design and to assist in the installation and startup of the new system.

Service: The service organization was charged with setting up a service organization and network that would allow it to respond as fast as possible to customers' problems. In addition, they set up a database to track system problems and failures that eventually allowed them to predict / anticipate customer problems and fix them before they become unexpected and unscheduled failures.

The Primary Process – The Value Creation Business Mechanism

Once the value proposition has been chosen, it is essential that the organization structure and position itself to become extremely capable of delivering that chosen value to the chosen customers/market as effectively and efficiently as it can. To do so requires the realignment of the infrastructure, including the processes, systems, and policies of the organization so that value delivery is enabled and all constraining forces are eliminated. Realignment is not just an adjustment of the organizational chart. It is a fundamental change in the collective work of the organization.

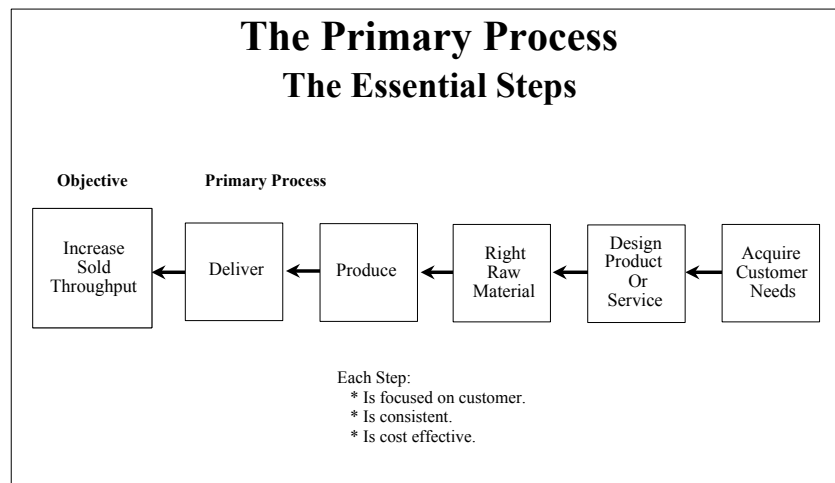


There are many, many processes that exist within any organization. Some are visible. Some are not. Some provide customers value. Some do not. For example, you really can't go out and touch the HR hiring process or the Accounting Group's accounts payables process. But, if you walk through a manufacturing plant, it is quite easy to identify the process and trace out its flow.

Some processes create and provide value to the customer. These processes are the primary means for directly making money. However, most processes manage, improve upon, coordinate, provide for, or in some fashion support/facilitate these "primary" processes. For example, a sawmill has a debarking and sawing process in it that directly transforms logs into something valuable for customers. However, other processes within that sawmill, such as the process of supervising, do not provide value for the customer. This process is necessary, but it does provide value directly to the customer.

Primary Process

If we take a macro view of the processes that contribute to the direct provision of value to the customer, and thus provide the means to make money, we can call this the “Primary Process”. All the processes that support that macro “Primary Process” we can call “Secondary Processes”.



The idea of the “Primary Process” is based on two key foundational ideas. First, the “Primary Process” is a systems view of organizational behavior. In this view, the system is considered to have a throughput flow with inputs, transformation processes, and outputs. Secondly, the Primary Process is acknowledged to exist because a customer exists within the marketplace that needs the products or services of that “Primary Process” in some fashion.

In Peter Drucker’s book, “Management: Tasks, Responsibilities, Practices” the purpose of a business is discussed. He writes as follows, “It is the customer who determines what a business is. It is the customer alone whose willingness to pay for a good or for a service converts economic resources into wealth, things into goods. What the business thinks it produces is not of first importance--especially not to the future of the business and to its success. What the customer thinks he is buying, what he considers value, is decisive--it determines what a business is, what it produces, and whether it will prosper. And what the customer buys and considers value is never a product. It is always utility, that is, what a product or service does for him.”



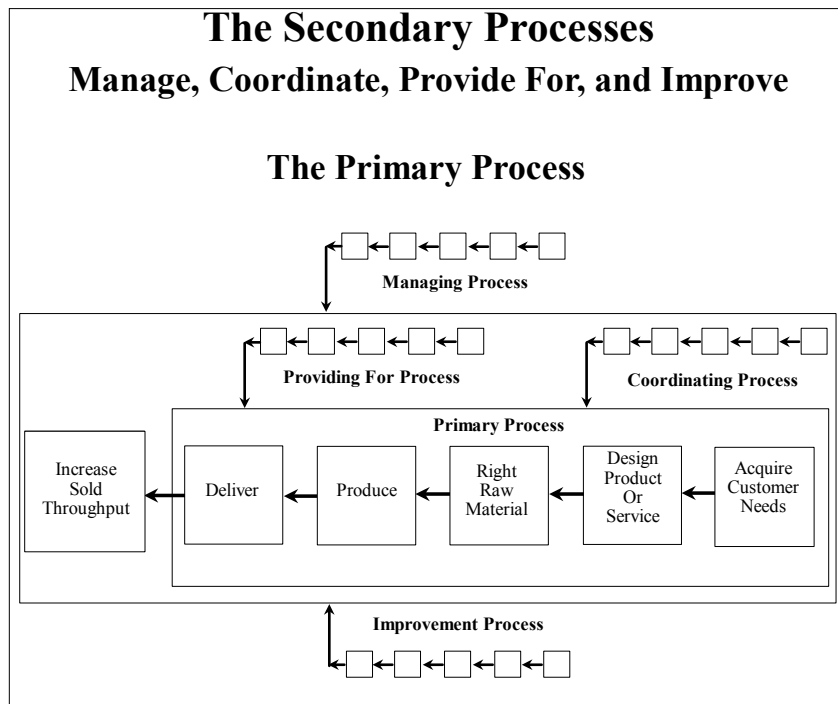
Given this view, the “Primary Process” is initiated by and driven by the acquired needs of the customer including the product and service characteristics as well as acceptable acquisition and use costs of those products and services. This information is then used to drive the resulting product and process design.

Given those product and process designs, the appropriate raw material is inputted into the system, transformed into products and services, and then outputted or delivered to the targeted customer. The probability of creating a perception in the marketplace that the organization’s products and services are providing superior value is managed and increased with this model.

Secondary Processes

Other processes that do not directly acquire customer needs, design products and processes, acquire raw material, transform material into product and services, and deliver those products and services – well – they don’t provide the customer any value at all. Those we call the “Secondary Process”. They may be necessary in order to manage, improve, coordinate, or provide for the “Primary Process”. But, they add no value to the product flow itself and thus are truly “overhead” costs.

The costs, pricing, and resulting profitability of the organization is therefore dependant upon how well the elements of the “Primary Process” are designed and operated and to what extent the costs of the “Secondary Processes” are minimized without dilution of their needed supportive outcomes.



As one considers the value proposition that has been chosen, management’s task is to create and/or continuously improve the systems, processes, competencies, and any other

infrastructure that is needed to safely deliver value to customers in an effective, efficient, timely, accurate, and profitable fashion. Thus, the primary process and the other secondary processes need to be aligned to insure the most optimal delivery of value to customers.

Communicating The Value

Once your organization has identified a suitable value proposition, has set itself up to be able to deliver that value proposition, your organization can then begin to communicate to the target customers what benefit and price you offer and what superior value it provides as compared to the competition.

Again, referring to the IBM example, the Sales organization was charged with communicating the IBM value proposition including benefits and price to the target customers and potential customers. Secondly, the Sales organization is in a great position to monitor and feedback the degree to which the value delivery system is effective and efficient from the customer's point of view. This enables IBM to continually improve its organization in a manner seen as important to the customer.

Thirdly, the Sales organization was charged with scanning the customer's situation to prevent competitors from usurping their competitive advantage. When customers saw something from competitors that looked interesting, the rapport that IBM sales had with their customers often enabled them to become aware of competitor activities and their product/service attractiveness in a timely fashion. This provided time, albeit short, for IBM to counter and reposition with those customers.

Last, the Sales organization was charged with helping IBM customers assess and develop their own Value Delivery Systems in order to assist their customers develop their own competitive advantage. IBM recognized that their own long-term success is to a significant degree dependent upon their customers' success.

Consultative Selling

The term "Consultative Selling" was used to describe the assistance IBM was giving to customers. Consultative Selling is a set of selling behaviors that is not directly focused on the immediate sale. Instead, consultative selling behaviors are focused on helping the customer become increasingly successful. Implicit in these helping behaviors is the assumption that there is an increased probability that the customer will stick with your organization even in the face of strong price competition if they perceive that you are helping to facilitate their success.

Consultative selling behaviors can include a number of different things that include:

- 1) Assisting customers assess and develop a more effective and efficient Value Delivery System.
- 2) Assessing customer processes looking for new economically beneficial opportunities to reduce redundancy between your organization's processes and the customer's processes.

- 3) Assessing customer's products and processes with the intent to modify / improve your present products and services and/or with the intent to develop new products that again provide an economic benefit to the customer.
- 4) Identifying customer resource, expertise, skill needs that you have in your organization and making those available to your customer with the hope that economically the customer will benefit.

The list of consultative selling behaviors could be endless, but each behavior is focused on helping the customer's organization in some manner that improves their economic well-being or reduces their risk. It is this informal partnership that increases the probability that your organization's Value Delivery System will be perceived as superior to the competition and successful in maintaining a profitable long term relationship with your customer.

Conclusion

An effective Value Delivery System is at the heart of a market driven company. The key to sustaining, let alone improving, competitive advantage is in enabling the organization to act in a manner that delivers superior value to its customers (as perceived by the customer) profitably.

The more formally the VDS is managed, the higher the probability that the customer will perceive superior value. In addition, the more formally the VDS is managed, the more activity that is not facilitating the VDS will be eliminated by the organization, thus reducing cost.

Bottom line, customers have the right to choose who to do business with. And your company has the right to decide and come to agree with customers about what value you will provide and at what price. Finally, you have the right to do this profitably.



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