

Business Resilience Toolkit

Understanding and adapting to customer needs

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Transcript:

As the world around us is changing, so are the needs of your customers or beneficiaries. Do you understand their needs and is your organisation satisfying those needs?

Hi, I'm Ellen Schuler and I'm a business consultant at Community Business Bureau.

Some not-for-profits do not really have a defined view who they service and who their customers are. They try to appeal to a market that is too broad.

We have also noticed that organisations often make assumptions about their customers' needs rather than truly understanding them. If you do not define who your customers are, you cannot identify what they need, and you cannot define your unique value proposition.

Needs evolve over time and can be influenced by many factors. Changes in living circumstances and external factors are impacting on our needs, such as COVID 19 and advances in technology.

As your customers' needs change you need to adapt to the changing needs of your customers. If you do not offer value to your customers, they will start to stay away, and you will not deliver on your mission.

In this video we focus on defining your customers, how you can identify their needs and how you can use the Value Proposition Canvas to adapt your services to the changing needs of your customers.

Who are your customers?

You should be able to give a clear answer who your organisation is seeking to help and who is seeking your service. It is impossible to serve everyone. Your funding and resources are limited and doing too much at the same time risks that you achieve very little.

At the same time, your customer base cannot be too small. It will be difficult to secure funding and operate viably if you support only a small amount of people.

It is very likely that your not-for-profit is supporting several groups of customers with similarities or differences. These groups are your segments who are accessing your services or who benefits from your services. For example, if you are supporting children as well as young people who are moving out from home, you are working with two segments. Children and young people have very different needs. If, as well as children, you work with young people in remote areas and young people in metropolitan areas, you may work with three segments as living in remote areas poses different challenges for young people.

By doing market research for each segment - for example by using demographic data from the ABS or the social health atlas you can estimate the population number of your segment.

What are your customers' needs?

For each customer segment you should develop a customer profile and answer the following questions:

- ▶ What pain points and barriers do they try to avoid?
- ▶ What gains and positive outcomes do they expect?
- ▶ What do they need to get done? List the functional, emotional, and social jobs your customers need to have done.

The best way to understand your customers' needs is to speak to your customers. You can conduct surveys or interviews with your existing customers. You can review your customer intake data, also speak to your front-line staff. They are dealing with your customers day by day.

Talking to other stakeholders such as family members or providers who offer complementary services to your customers can also give you insights into your customers' needs.

After you have developed your customer profile you should ask:

What value do your programs or services offer?

- ▶ List the programs and services that are available to your customer segment.
- ▶ Secondly, list the Pain relievers – describe how your services reduce customer pains and how your services make their life easier.
- ▶ Next are the gain creators – describe how your services create gains and offer value to the customer.

What do you need to change to fit your customers' needs?

Now, review if your services and program create a clear FIT with your customers' needs. Do you target essential customer pains and gains and does your service create the outcomes your customers expect? Do you offer the best solution for their problems? What do you need to change to better address your customers' needs?

You may want to trial and test those changes and involve your customers in the design of improvements and changes.

You will need to deliver value to customers at an appropriate cost. And you need to make sure your services fit with the priority of your donors. Without donors, grant givers or the government paying for the service your organisation will not survive.

To make your not-for-profit more resilient it is essential to define who your customers are. Regularly ask what your customers' need and critically ask if your supports and services meet those needs. Adapt your services to meet those needs and define your unique value proposition to stand out - to your customers and your donors.

The Value Proposition Canvas was developed by Alexander Osterwalder, and there are free resources available from strategyzer.com.

Related video to watch next: Useful tools: PESTEL, context canvas, and competitor analysis.