Practitioner information

Introduction

This resource brings together several strands to help learners explore the importance of a core, enterprise-wide, and consistent focus on delivering customer value. Learners first consider what it can mean for all parts of an enterprise to focus on customers. They consider the importance of strong, positive customer relationships before reviewing how customer value contributes towards the wider financial goals of the enterprise, so it must be delivered in cost-effective ways. Learners explore how this focus helps resolve a difficult situation.

Topic links

- Enterprise
- Marketing orientation and customer focus
- Communication

Suggested learning outcomes

Learners will be able to:

- understand that effective customer management starts by understanding customer needs and identifying sources of value
- list qualities of strong customer relationships and the behaviours that build them
- describe how lean thinking helps control costs while delivering customer value, leading to profitability.

Why this topic is relevant for engineers

A clear commitment to delivering customer value is essential and well-understood within any successful enterprise. However, some business courses compartmentalise this principle, instead of looking at a wholly 'customer-orientated' or 'market-orientated' approach that permeates every department. For engineers, this means that the technical solutions they devise, and the practical organisation and management of their production resources, must serve their customers' needs.

Delivering the theory: The customer-focused enterprise

- A compass is a good way to think about and discuss 'orientation'. Learners can think of every department (and employee) as holding a compass that always points to 'customer value', providing the direction for their thinking and behaviour.
- Discuss how customer orientation might influence internal communications, integration, and collaboration to avoid separate departments operating in their own 'bubbles'. It can be surprising how even departments like software or product development can sometimes fail to properly take customers into account.

Practitioner information

Delivering the theory: Building customer relationships

- This links to the resources **5. Communication skills for entrepreneurs**, **15. Branding in engineering**, and **16. Engaging customers through content marketing**.
- Learners can suggest why they personally trust or prefer some brands over others (these may be non-engineering examples). What has made this a positive customer relationship?
- Review the qualities of a strong, positive customer relationship. Discuss what practical actions each one might involve, based on the helpful behaviours listed. For example, communicating with honesty and integrity would suggest never exaggerating the features or performance of a product or making other false claims.
- Every one of these ultimately depends on employees' personal behaviour. You may also link these ideas to the resources **1. Enterprise mindsets and skills for entrepreneurs** and **3. Leadership for entrepreneurs**.

Delivering the theory: Customer focus, costs, and profitability

- While some engineering startups may have environmental or social goals, the great majority aim to create profits and, in turn, value for the founders and their investors.
- Lean thinking or Lean (which your course may explore in more detail) is a good example of a methodology that codifies the link between delivering customer value while minimising waste, including wasted costs.
- Ask learners to discuss each step of the diagram. This also links to your teaching of the importance of personal skills and qualities, organisational or brand values, training, and leadership.
- It is vital that learners understand that lean thinking is a continuous process of improvement due to dynamic internal and external environments. The key drivers are changes in market expectations and the enterprise's definition of 'customer value', which can change over time.

Delivering the case study: The right response

- You can choose to link this case study to your delivery of a range of related engineering and production topics, for example, testing or quality assurance.
- Emphasise that how an organisation responds to its mistakes is of the utmost importance. Robust systems will minimise the frequency and impact of these, but they might still occur. This relies on a customer-focused mindset and the experience to make the right decisions in response.
- The model answers are just one example. If presenting their ideas, learners should focus on retaining the client and minimising reputational risk, which will drive long-term value even at the risk of short-term loss (if affordable).