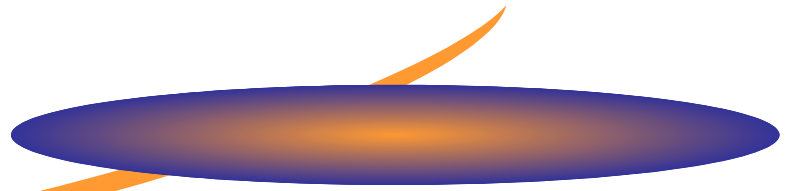


**The Consortium
for Service Innovation**



Strategic Conversation Guide

Strategizing With Scenarios

Now that you are familiar with the scenarios, reread the description of your quadrant (pages 4-5) and the strategic elements (page 2).

Ask yourself:

What strategic element in the five strategic areas will be critical for success if the industry moves to the quadrant you are working with?

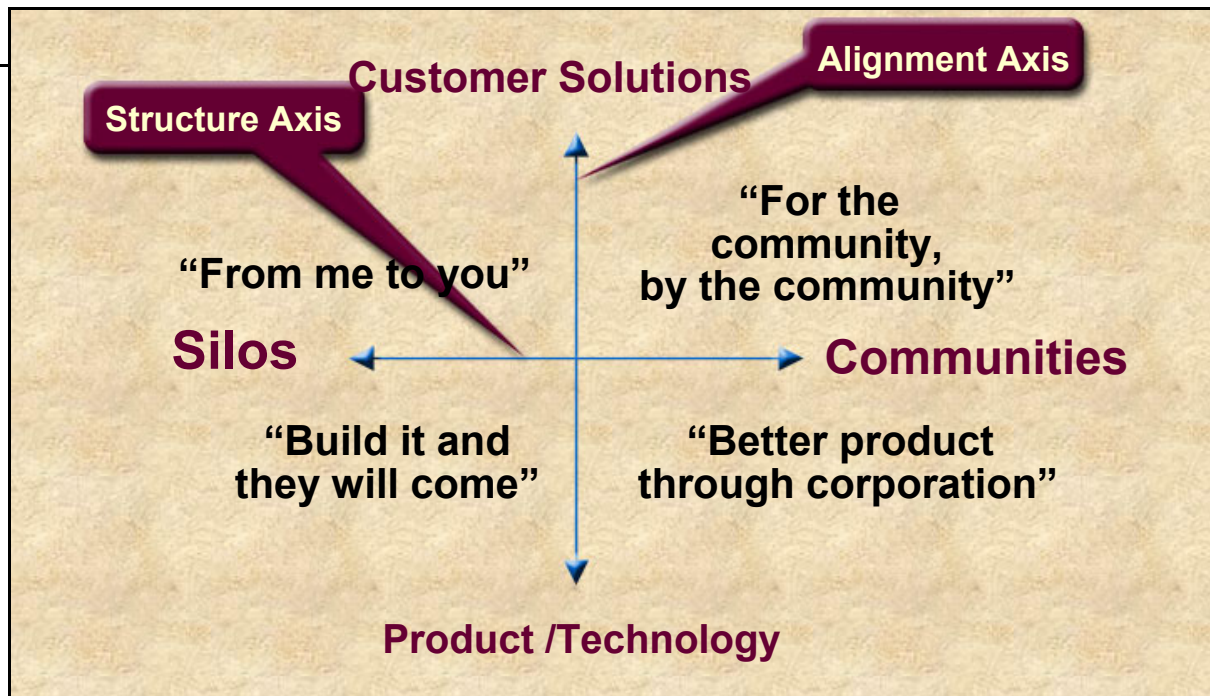
With your group:

Discuss and choose **one element from each of the five areas that you feel will be predominant**. Now you are allowed **two wildcard picks** from any of the five areas. Note that you have the **option to create your own elements**.

Get the corresponding seven tent cards (one from each of the five categories and two wild cards.)

Keep in mind:

You will be asked to show the key elements (tent cards) and explain why your group felt they were critical for your quadrant.



A Few Considerations...

Service Offerings:

- None
- Bundled in Product
- Bundled in Services
- Free
- Proactive
- Per Call
- Tiered Service Levels
-

Delivery:

- On Site
- Remote Person-to-Person
Phone and Electronic
- Web Based Self Help
- Enabling Peer-to-Peer
- Community (e.g. Linux)
- Support in the Product
- Channels/Distributors
-

Metrics:

- Call Metrics
- Employee Satisfaction
- Customer Satisfaction
- Product Quality
- Knowledge Management Metrics
- Rewards and Recognition Criteria
- Characteristics of Heroes
- Financial Success
- Subjective Feedback
- Learning and Innovation Indicators
-

Value to Business:

- Customer Loyalty
- Revenue
- Customer Contact
- Profit
- Product Sales
- Customer Experience
- Market Positioning
-

Value to Customer:

- Reduced Total Cost of Ownership
- Productivity
- Confidence in Relationship with Vendor
- Contribution to Customer Business Success (\$, flexibility)
- Focus on Core Business
-

The question at the root of these scenarios:

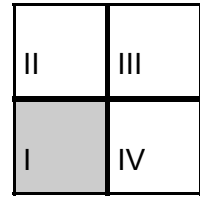
What are the customer service business models for the future? (Considering the key stakeholders the company the individual and the customer.)

Questions to consider while reading the scenarios...

Considering these questions while reading the scenarios fuels the mind to think critically about each quadrant and its attributes.

1. What is the value to the customer in each quadrant?
For example: Confidence in the relationship with vendor, productivity, or contribution to customer business success (\$, flexibility...)?
2. What kind of measurement metrics are most valuable in each quadrant?
For example: Product quality, knowledge management metrics, or financial success?
3. What delivery systems are most valuable in each quadrant?
For example: Enabling peer-to-peer, web-based self-help, or person-to-person?
4. What is the value to the business?
For example: Customer experience, market positioning, or revenue stream?
5. What service offerings will be most valuable in each quadrant?
For example: Free, bundled in product, or tiered service levels?

SCENARIO 1: “Build it and they will come”



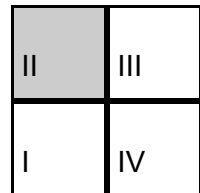
Description: (Silo & Product/Technology)

Companies in this quadrant focus on the value proposition of their products and technology. Their structure is closed and hierarchical.

- Mass production to serve market segments
- Market differentiation/dominance on feature set and price
- Brand loyalty is critical and competition is intense
- Protect intellectual property fiercely (IP issue)
- Skills are available but expensive and hard to retain.

Notes:

SCENARIO II: “From me to you”



Description: (Silo & Customer Solutions)

In this quadrant, companies focus on relationships with customers and providing business solutions specific to each customer. They achieve this through closed and proprietary relationships with other providers or through mergers and acquisitions. The companies in this quadrant display the following characteristics:

- Focus on customer includes satisfying customer business issues, highly customized solutions, loyalty-building programs
- Highly competitive marketing objectives; “us versus them” perspective means limited trust
- Drive toward differentiation based on relationship with the customer and an interest in the customer’s business success
- Partnerships are selectively developed to enhance overall perceived value

Notes:

SCENARIO III: “For the Community, by the community”

II	III
I	IV

Description: (Customer Solutions/Communities)

Companies in this quadrant focus very much on customer relationships. Customer business requirements are satisfied through standards-based communities or networks of business-functionality providers. Some characteristics of this quadrant are:

- Providers deliver business functionality not technology and the customers buy business solutions, not products
- Various technologies underlying the “solution” are invisible to the customer
- Standards are widely adopted for both technology and the communities
- Communities are self-regulating and include customers.
- Security issues and confidentiality issues are handled with a high degree of trust

Notes:

SCENARIO IV: “Better products through cooperation”

II	III
I	IV

Description: (Communities & Products/Technology)

In this quadrant, the providers’ focus is on products and technology, time to market and price performance.

- Providers interact in dynamic networks or communities.
- Customers have lots of choices for technology and functionality
- Standards for both technologies and communities are widely adopted
- Business relationships between players in the market are standards-based and dynamic
- Skills are in short supply and expensive

Notes: