

**How To Be A Great Manager Teleseminar Series, Module 4**

*The Role of the Consumer*

*How consumers help teach us how to accelerate  
the achievement of high priority business outcomes*

# **Dan Coughlin's Free Teleseminar Series**

## **How To Be A Great Manager**

### **Module 4**

## **The Role of the Consumer**

*How consumers help teach us how to  
accelerate the achievement of  
high priority business outcomes*

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#### **Points to Remember:**

- **In this context, the word “consumers” refers to customers and potential customers regardless of whether they are true consumers, business customers, or government decision-makers.**
- **Every decision that consumers make teaches you about your organization.**
- **Don’t be disappointed or ecstatic by consumer behaviors. Only seek to learn what is being taught.**
- **Consumers aren’t buying from you because they like you. They are only buying because they believe they are receiving certain value from your organization.**
- **When consumers ignore your offerings, their decision provides you with insights into what your organization can do better.**
- **The best organizations work to understand why consumers do what they do. Then they figure out how to add more value and let the consumers know they are adding more value.**
- **Peter Drucker once wrote,**

**“If we want to know what a business is, we have to start with its purpose. And its purpose must lie outside of the business itself. In fact, it must lie in society since a business enterprise is an organ of society. There is only one definition of business purpose: to create a customer. Because it is its purpose to create a customer, any business enterprise has two – and only these two – basic functions: marketing and innovation.  
(The Practice of Management, HarperPerennial, 1954)**

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## **The Fundamental Purpose of Business Research**

**The engine under the hood of effective decision-making is really good business research. All great relationships are based on understanding the other person, and then meeting the needs and wants of the other person. This is true in marriages, in boss-employee relationships, and in organization-consumer relationships.**

**No matter how sophisticated or simple your research is the desired endgame is the same: to understand your desired customers. This understanding serves as the guide to business strategy, marketing initiatives, operational areas of emphasis, brand building, and talent management. The stronger your understanding of the outside of your business, which is where consumers reside, the better your chances are of serving them with the products, services, and experiences they want.**

### **10 Keys to Effective Business Research**

1. *Search for Reliable Statistics and Trust the Facts*
2. *Use Focus Groups*
3. *Be a Customer*
4. *Sit and Observe*
5. *Talk to Customers*
6. *Know Your Industry*
7. *Extend the Timeline Backward and Forward*
8. *Be an Expert on Your Competition*
9. *Search For and Test Alternative Explanations*
10. *Explore Unexpected Successes and Failures*

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### **Eight Customer Insights to Search For**

While you spend a lot of time in business research looking for patterns and trends and subtle clues, what you are really searching for is insights into customers. Here are ten questions I believe you should try to find a reasonably strong answer to as you compile information about your desired customers.

1. *What's the customer's desired outcome?*
2. *What's the customer's greatest need?*
3. *What's the customer's greatest obstacle to achieving his or her desired outcome?*
4. *What's the customer's best current option to purchase for helping to achieve the desired outcome, and what makes that option effective?*
5. *What would the customer be willing to pay more for?*
6. *What combination of outcomes would constitute more value for your customers?*
7. *What's working for your competition that's not working for your organization in terms of adding value to your customers?*
8. *What's the unique value you can add to your desired customer?*

### **Dan Coughlin's Acceleration Tips**

**Many managers want to skip over the mundane work of business research in order to jump into the excitement of executing ideas. They have a thirst to find out how customers will respond to their new ideas. Unfortunately, this is not an effective way to generate business acceleration. It's like jumping into a conversation with a person you've never met only to find out that the topics you selected to talk about are of no interest to the other person.**

**Effective business research creates a foundation of understanding the customer. Then you can try ideas that are rooted on this foundation to see what works and what doesn't work for the customer. Just as planting grass seed in the fall seems unattractive because the results won't happen until the spring, you need to invest in understanding your customer if your desire is to improve long-term business results in a sustainable manner.**

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**Modern Consumers Obsess Over Convenience**

**“You can do what with your iPod?”**

**10 Convenience Creators**

1. *Long Lines*
2. *Dinner and a Movie*
3. *Information on Homes at Your Fingertips*
4. *Avoiding Commercials*
5. *Toys, Groceries, and a Nurse*
6. *Is that a cell phone or an entertainment center?*
7. *Pay Anytime of the Day Anyway You Want to Pay*
8. *Advertising Agencies and Orchestra Conductors*
9. *Recognition Awards With A Personal Touch*
10. *Massages and Airports*

**Dan Coughlin’s Acceleration Tips**

**Americans have shifted from wearing the red badge of courage for embracing inconvenience to demanding convenience in everything they do. Understand how that shift impacts your industry, and work to constantly create greater convenience for your customers. These convenient innovations can separate you from your competition.**

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**The Shift From the Information Age to the Creativity Age**

**“You haven’t lived until you’ve been googled.”**

**Seven Ways to Create Free Value-Added Connections and Combinations**

**Hotels –**

If a hotel has those fabulous beds with the cushy pillows and the unbelievable bed covers, then they could give out to their guests for free the name of the mattress manufacturer and the pillow manufacturer and the sheet manufacturer and the distributor who sells those items. They could just put a note on the pillow that says, "If you would like to sleep like this at home, here are some places to call:..." That's added value, and it's free.

**Restaurants –**

The idea of eating healthy has impacted restaurants of all types and sizes. How about put together a free laminated card on "How To Eat Healthy At Home and On The Road" that is packed with practical tips and offer it to every customer who orders a salad? The restaurant could put its logo over in the corner. Basically, the goal is to associate your organization with value in the mind of the consumer.

**Medical Tools Company –**

Stents that can reduce heart attacks have been in the news a lot lately. What could the companies that produce those stents do to add value to the doctors who order the stents and the consumers who pay for the stents? Why not create a laminated card on "What to do if your loved one has a heart attack"? It could be packed with step-by-step advice on who to call, what to do, what not to do, and what to be aware of. Doctors could give this to patients and their family members to reduce the stress of not knowing what to do in the midst of an emergency.

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#### **Car Manufacturers –**

When consumers come in looking at minivans, salespeople could give out information about where to find baby car seats, where to find car carriers, and where to sign up for satellite radio. They would just give away this information whether the customer bought from them or not.

#### **Realtors –**

Realtors could create a "Community At Your Fingertips" with every imaginable piece of information for the surrounding area for a given house or group of houses. They could have the names of schools, religious organizations, grocery stores, restaurants, youth organizations, adult groups, hot spots, famous places, not-so-famous places, and on and on. They would give this information to every person they drove around with. They would include their contact information on the last page of the brochure. Give away as much value as you can so people will always remember you.

#### **Video Stores –**

Competition is very tough for video stores. People can get content in so many different ways right now. So how they can make themselves unique? One of the hardest things to do in a video store is to make a decision in a reasonable amount of time. Why not create a free kiosk in their stores with in-depth information on films from a variety of angles? Consumers could type in "Favorite movies made in the 1960s for people under 30." Then a list would pop up of movies ranked by customers under 30 that were made in the 1960s. Each movie would have comments associated with it about why people liked the movie.

#### **Retail Stores –**

Use the Santa Claus approach. Have a list of other stores and phone numbers to give out to customers for free on where they can get the items they are looking for. These retail stores could even include competitors who are selling the same things that the customer is looking for. They know customers shop around so why not add more value to their experience in the store by just letting them know where else to go to look for the item?

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## **Increasing Consumer Demands**

**“I want it now at a lower price with better service.”**

### **10 Ways To Understand Consumer Demands**

1. *View Consumers As Teachers*
2. *Treasure Customer Complaints*
3. *Follow Up After Every Claim*
4. *Set Aside Your Ego*
5. *Deficiencies Lead to Value Creation*
6. *Reach Out Beyond Your Comfort Zone*
7. *Leverage the Loudest Crank*
8. *Experience the Worst Your Company Has to Offer*
9. *View Customer Rejection As Growth Opportunities*
10. *Search For Faults*

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**Branding**

**A brand is the perception of value that a customer thinks they get when they buy from an organization, or a prospect thinks they would get if they did buy from an organization.**

**Six Steps To Build A Brand**

- 1. Identify Your Desired Customers**
- 2. Clarify What Is Important To These Customers**
- 3. Narrow The List To Their Top Three Priority Outcomes That You Can Impact**
- 4. Gear Every Decision And Activity Toward Delivering These Top Three Priority Outcomes**
- 5. Stay Boringly Consistent And Thoroughly Innovative**
- 6. Market To Resonate**

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## About the Presenter

Dan Coughlin is president of **The Coughlin Company, Inc.**, a consulting firm at the forefront of work on business acceleration. The discipline of business acceleration examines how corporations can continually increase their rate of sustainable, profitable growth. The practice of business acceleration concentrates on the following areas:

<b>Role of the Individual</b>	<b>Role of the Group</b>	<b>Role of the Organization</b>
Personal Effectiveness	Communication	Strategy
Leadership	Teamwork	Branding
Management	Execution	Innovation
		Customer Relevance

As a speaker, author, and consultant, Dan Coughlin has:

- Written the book, **Corporate Catalysts: How To Make Your Company More Successful, Whatever Your Title, Income, Or Authority** (Career Press 2005) and has more than 100 articles on business acceleration posted at his E-Learning Center at [www.thecoughlincompany.com](http://www.thecoughlincompany.com)
- Given over 500 presentations on business acceleration in more than 30 states.
- Provided more than 1,200 Executive Coaching sessions for presidents, vice-presidents and senior directors of Fortune 500 Companies and major privately owned firms.
- Invested more than 3,000 hours on-site observing executives and managers deal with real-life business situations in more than 20 different industries.

Dan Coughlin holds a bachelor's of science degree in mechanical engineering from the *University of Notre Dame* and a master's degree in arts and teaching from *Webster University*. He has served as an adjunct professor on entrepreneurship and leadership for *St. Louis University* and *Webster University's* Graduate School of Business. He frequently contributes articles on business acceleration to trade journals.

### **The Coughlin Company, Inc. clients include:**

Toyota Corporation	The Boeing Company	Employee Relocation Council
McDonald's Corporation	Heartland Dental Care	American Specialty Toy Retailing Association
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Marriott International	Four Seasons Homes	Andeo Nalco Chemical
GSD&M	Brown Shoe Company	Cassens Transport
American Bar Association	Spa Shiki	Illinois Association of Realtors
Eli Lilly & Sons	Lodge of the Four Seasons	Washington University
AT&T	Ronald McDonald House Charities	BoundTree Medical
IKON Office Solutions	Metal Supermarkets	
St. Louis Cardinals	Society of Actuaries	
McCarthy Building Companies	Ryerson Tull	
Mackey Mitchell	American Management Association	
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## **Notes**