



How to Energize Your (Potentially) Most Valuable Asset

Every annual report ever written, every executive speech ever given proclaims: "Our most valuable resource is our people!"

However our people are not necessarily our most valuable asset. They can be a hindrance and a liability. Our people are, however, potentially our most valuable asset.

In fact, they may be our only differentiated asset. That's because, as you know, doing business is different these days. We're not going to survive and prosper because of our technology or technique - good ideas are more or less infinitely available and eminently transportable. And we know that the old fashioned ways won't give us the edge we're looking for either.

Instead, we need to be more agile, nimble, responsive and adaptive. We must create organisations that are, as the name implies, organic - comfortable with change and embracing an ethos of changing, manifesting the life force that resides in our people - free moral agents, not cogs in a machine.

Saying that our people are only potentially our most valuable asset does not in any way let management off the hook. After all, who is responsible for tapping into that potential?

Wouldn't it be great if there were one thing that might turn our people into, once and for all, our most valuable asset?

There is: a single-minded focus on **creating value for customers**.

A focus on customer value creates a cycle which will energize people, thereby enabling them to do the things they need to do to deliver customer value, which in turn will create shareholder value. Striving to deliver the maximum value to the customer is in itself energizing and self-sustaining.

Before we can talk about how to apply this in your organisation, we need to understand the concept of value.

Value = When what the customer GETS exceeds what the customer GIVES UP.

GETS includes products, services, and a whole host of intangibles, such as "comfort," "peace of mind," or "status."



GIVES UP includes dollars, time, and another host of intangibles, such as "frustration," "anxiety," or "embarrassment."

Customers buy on value, and only on value. This is the only reason that any customer has ever bought any product or service, anytime or anywhere - to maximise value received. Customers do GETS/GIVES UP calculations and then gravitate toward the best result.

However value depends. While you can assert that your product or service is "of quality" (i.e., that it has conformed to the requirements you have set for it), you cannot assert that your product or service is "of value." The customer is the only judge of value.

Why? Because value depends on the set of GETS and GIVE UPS unique to each customer. For example, which car is of higher value - a Commodore or a Mercedes? The answer is, "It depends." If causing the neighbours' heads to turn as you pull into your driveway is an important GET to you, then the Mercedes may well be of greater value. If, on the hand the GIVES UP may push you into the Commodore camp.

It also depends on the circumstances in which customers find themselves. Which is of higher value - dinner at McDonald's or dinner at the Flower Drum? It depends. If you're after a quick bite on the way to the cinema with the kids, the quickness and convenience of McDonald's might be a very big GET. If you're out to celebrate your 25th wedding anniversary - and you have any desire to celebrate a 26th - then your value calculations will probably point you to the Flower Drum.

Finally, it depends on the available alternatives. Did we receive value from the cars we bought in the 1970s, even though they were less safe than today's models, got terrible mileage, and had to be serviced two or three times during the first weeks of ownership to deal with the long list of quality problems that inevitably cropped up? Yes, because our GETS to GIVES UP comparisons were between the cars that were available to us at the time, not some absolute notions of goodness and perfection.

Value, in short, depends.

Putting It In Place

1. Make it clear that "value for the customer" is the No 1 priority of the organisation. It's OK to talk about other priorities, but only insofar as they can help you deliver more customer value. In fact, everything should be placed into this context.



2. Make sure that everybody knows who your customers are. And I'm not talking about any of that "internal customer" stuff. Value doesn't necessarily travel singlefile. Just because George serves Mary well, and Mary serves Kenneth well, and Kenneth serves Gloria well, it doesn't mean that it adds up to maximum value for the customer. For George to ask Mary, "How can I help you do your job better?" is not the same thing as for George to ask Mary, "How can we work together more effectively to deliver value to our (real) customers?"
3. Make the customer come alive for all employees. Broad and deep knowledge of who your customers are and what is of value to them. If people are constantly exposed to customers - face to face, on videotape, via articles, etc..the energy which flows from that knowledge is more likely to be tapped.
4. Make sure everybody knows what is of value to your customers, in particular what your customers GETS are and what you customers GIVES UP are. How your customers would describe what represents value to them.
5. Make sure everybody is actively and explicitly engaged in supporting and/or delivering customer value. Everyone in your organisation should be able to answer the question: "How does what I do affect our ability to deliver customer value?" People in some jobs have an easier time answering that question than others; their connection to the customer is more direct and obvious. But all jobs have an effect, even if indirect, on customer value. Be explicit about what those effects are.
6. Make sure everybody is actively and explicitly engaged in looking for new ways to deliver value to customers.



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