VOC - Customer Value Report
GSCM-469
Date: 10-21-18

Team:

Sean Johnson	Tim Finn
Alijah Mahanera	Risto Rushford

This report presents Customer Value Drivers and recommendations for product design changes.

1. **Internally Ranked Value Drivers within Each CVD Category (From Customer's Perspective) (List at least 3 in each of 5 categories)** ***see Harmon & Laird article***

List at least 3 value drivers in each category for the products that your company delivers and rank their relative importance on a scale of 1 to 10 (Ranking 10= Best, 1=Worst)

Value Driver Category	**Customer Value**	**Ranking**
Economic Value	1. Delivered cost (price) 2. Environmental costs 3. ROI (profitability)	10 3 1
Performance / Functional Value	1. On time delivery 2. Faster / easier install & maintenance 3. Superior service & support 4. Credibility (trust, expertise, similarity) 5. Outperforms competition 6. Best quality/reliability/durability 7. Meets/exceeds specifications	8 1 1 2 10 10 10
Buyer's perceptions about supplier	1. Long-term viability 2. Credibility 3. Sufficient resources 4. Commitment to market	1 5 3 1
Buyer's motivations and goals	1. Desire to be seen as a problem solver 2. Avoid technology blind alleys	1 1

	3. Makes good decisions	8
The customer's buying situation	1. Buyer's time horizon 2. Buyer's task requirements 3. Buyer's resource capability	8 6 10

2. Internally Ranked Value Drivers Across All Categories

Using the information in table 1, create a summarized list of value drivers across all categories and rank their importance relative to each other (Ranking 10= Best, 1=Worst)

Value Driver Category	**Customer Value Driver**	**Ranking**
Economic Value	1. Delivered cost (price) 2. Environmental costs 3. ROI (profitability)	10 3 1
Performance / Functional Value	1. Best quality/reliability/durability 2. Meets/exceeds specifications 3. Outperforms competition 4. On time delivery 5. Credibility (trust, expertise, similarity) 6. Faster / easier install & maintenance 7. Superior service & support	10 10 10 8 2 1 1
Buyer's perceptions about supplier	1. Credibility 2. Sufficient resources 3. Long-term viability 4. Commitment to market	5 3 1 1
Buyer's motivations and goals	1. Makes good decisions 2. Desire to be seen as a problem solver 3. Avoid technology blind alleys	8 1 1
The customer's buying situation	1. Buyer's resource capability	10

	2. Buyer's time horizon 3. Buyer's task requirements	8 6

3. **Key points, hypotheses, and questions to validate with customer**

After assessment of our internally ranked value drivers, we came to the hypothesis that the following **<u>three</u>** values are what our customers value most highly in our new product. Order in high priority to low priority.

- Value Driver 1 - Delivered cost (price)
- Value Driver 2 - Meets/exceeds specifications
- Value Driver 3 - Best quality/reliability/durability

Based on the hypothesis, we have the following questions to ask our customers (develop at least 4 questions).

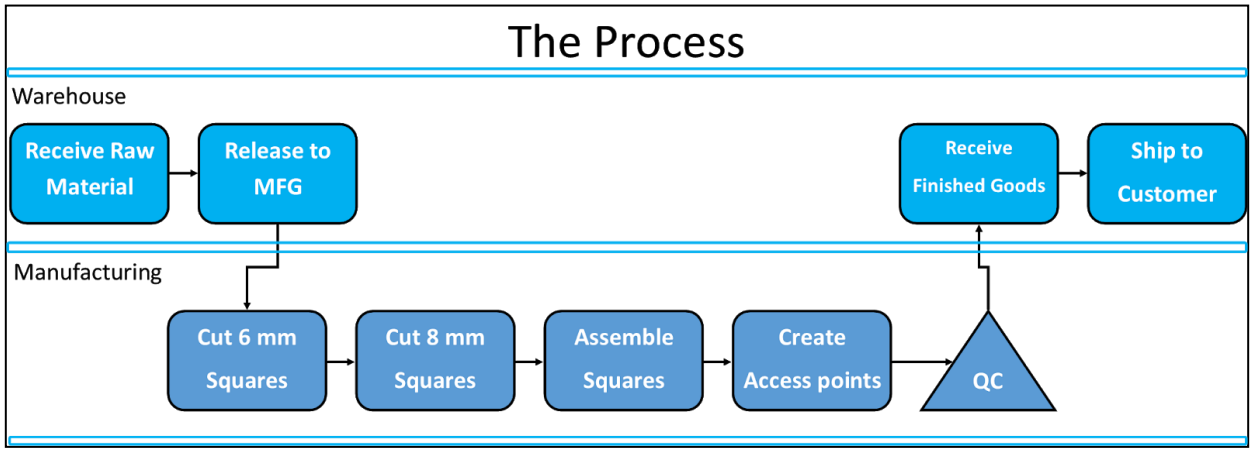
- What are your price expectations?
- How/Where are you planning on using the product?
- How long do you expect it to last?
- Are there additional features you would like it to have?
- Do you care How/Where it is produced (local?)?
- How quickly after ordering the product do you expect delivery?
-
- Also, Monty Python is BEST:
    - What is your name?
    - What is your quest?
    - What is your favorite color?
    - What... is the air-speed velocity of an unladen swallow? European or African Swallow?

4. **Mapping of Value Drivers to Production Process**

How does your process deliver the value the customer wants?

The production process is designed to specifically add those product qualities that the customer has asked for. Each cell within the production process is centered around a value-added activity which contributes to the creation of the products that are desired by our customers.

Where in the process do you create the value?



The process, as depicted above, is meant to add value within each of the four darker blue cells. Cutting squares to size, assembling the squares with a fastener, and then punching access points for sensors all contribute to the functional design of the products.

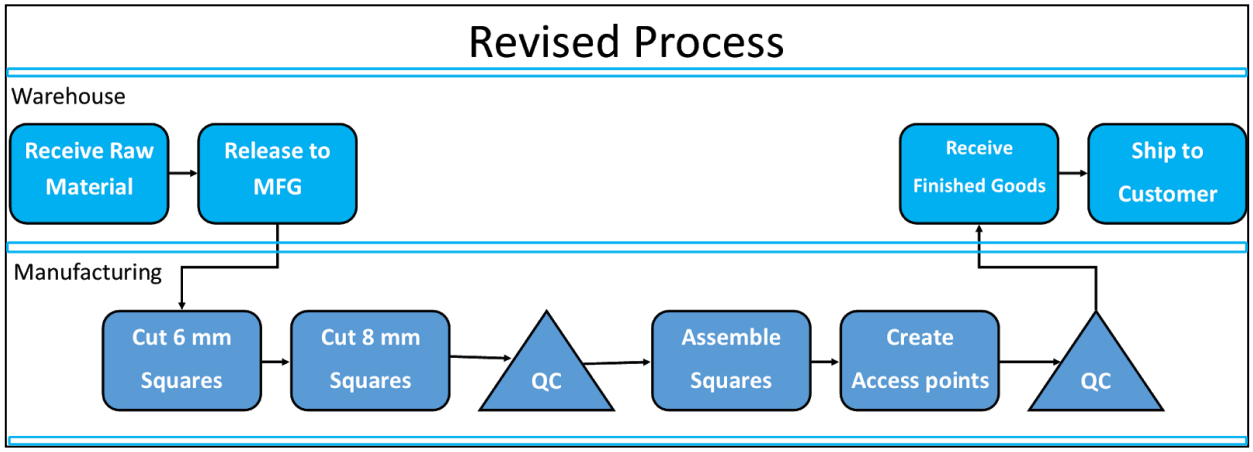
Where in the process do you ensure (check) to see that value is delivered?

With the process as currently configured, only one point is specifically designated to ensure quality and that is the QC cell (the triangle). Ideally, each cell will do such a good job of manufacturing their stage of the product that QA will only need to confirm the measurements and then simply pass the goods through to finished goods inventory where they can wait to be delivered to the customer.

5. **Are there process improvements/changes that you should make to deliver the value or ensure it is being delivered?**

There absolutely are improvements that can be made to the production process to ensure value is being delivered to the customer. Our current process model assumes that QC at one point will be sufficient to ensure quality. However, we know from experience that this method turns QC into a bottleneck which creates requisitions for prior cells to reproduce products that failed the QC check. We need to create a new value map which ensures quality at the source of production.

6. **Are there any changes to the design and process that you recommend as a result of the analysis?**



There are a few changes that we could make to the process to improve the quality and throughput of our products. One major change would be to consolidate the Material Handling positions and freeing up one person to become a second QC position. We would place this second QC person after the two squares are cut. This QC person would be the 1st QC, and they would evaluate the square measurement/cutting at the source. This would allow the workers at these positions to get immediate feedback on their performance, and would allow product failures that are over spec to be reintroduced to the line to be recovered.
Additionally, by splitting the QC evaluation to two positions the 2nd QC person becomes less of a bottleneck. The 2nd QC person would also provide in the moment feedback to the Assemble and Access point positions so errors would not continue throughout production.
Both QC positions would visually observe the process, and then provide the measurements, to pair observational feedback with actual data.