



PROPOSITION DEVELOPMENT

the
Foundation

Creating breakthrough propositions around inconvenient truths

Organisations all wrestle with the tension between reliable repeatability and having bright new ideas. Every business or charity or public body is designed to get something done at scale and doing things at scale means making them easy to do over and over again. Even making small changes is tough.

Meanwhile the world moves on – new competition, new technology, shifts in opinions, demographics and rules.

Add the two together and you get organisations responding in ways that are usually safe and familiar versions of what they already do dressed up in new ways. Customers and markets have moved on, but this inconvenient truth can be hard to hear.

We have learned how to deal with these inconvenient truths based on insight into how they hold people back:

- People in any organisation naturally see the world from the inside-out, closer to colleagues than customers, surrounded by assumptions about how things are done that don't get challenged. What's needed is a view that's outside-in. That means being clear about what customers really value, the problems they need to solve or the outcomes they want not just the products they buy. And it means finding how to create this value in new and better ways.
- Outside-in information does exist but lacks the impact needed to get the senior team to take inconvenient action. A market researcher bringing inconvenient truths tends to find themselves in an argument, maybe about the methodology. Suggestions for new and better ways of doing things are often met with all the reasons why they might not work.

- Organisations find this whole challenge hard because it is genuinely hard. You're trying to spot something that the organisation hasn't seen yet, that is inconvenient for the way it operates today. You then need to convince uncertain people that the idea's worth backing even when you don't yet have the data to prove it.
- So leadership teams opt for safe options that are easier to agree with. They find shorter term ways to hit the numbers that are not about creating value – promotional offers and tactics are a common example. People find reassurance in frenzied activity; expensive research reports confirming what is already known, week-long creative sprints without any customer input, and over-analysis of data that leads to ideas that customers say they want in a focus group but would never pay money for in the real world.

What's needed is an approach to developing propositions that builds belief:

- Belief in the way customers really do perceive the world – with all their imperfections and honest observations, however inconvenient they may be.
- Belief that there are new and better ways of doing things because they have seen that they are already happening in another sector, another organisation, but a similar situation.

HOW IT WORKS

We use a customer-led, immersive approach to proposition development centred on experiencing outside-in perspectives in a way that has the impact needed to build belief.

This means teams see and feel what really matters to customers then develop creative and stretching commercial ideas in response. The approach gives people the conviction to go from trapped and stuck in what they do today, to creating breakthroughs that ultimately deliver the impact that's needed for customers and the organisation.

Specifically, we do this in four ways:

1

Uncovering what really matters to customers in immersive ways

Rather than relying only on classic market research, which is usefully robust but susceptible to the awkward bits being avoided, we also expose teams to customers in face to face situations. It means that inconvenient truths are drawn out first hand so they are unarguable, giving genuine personal insight and strong opinions around the emerging conclusions. It allows the team to understand and create around the fundamental motivations that have always been true and recognise shifts in expectations coming from new technology and new experiences often in other areas of their lives.

2

Creating big ideas that the team really believe in through parallel immersion

Making the most of our extensive senior network we arrange for our clients to meet leaders from other sectors who they can learn from in person. The conversations are around challenges with some similarities but also many differences to the one being worked on. Unlike most proposition approaches this exposure to real world stories of success, and failure along the way too, grows belief, motivating teams to commit to different answers. This is very different from simply reading case studies or doing creative exercises.

3

Finding value for the customer first and then the organisation

A good idea isn't just one that excites customers although that needs to be a starting point. It needs to be valuable to the business too, creating mutual benefit. Starting with the customer rather than the existing business model frees the team to innovate without the usual constraints and then return later on find ways of making the ideas work commercially and sustainably too. A good future solution will have many aspects different to today's model and the team works from the future back to today as they plan. This leads to an answer that is stretching and also feasible, with a bridge from now to this new destination.

4

Owned by the team, ready to get into action

A breakthrough only comes from a proposition when it gets implemented and becomes real. An idea owned by the team responsible for executing it has a much better chance than something created externally. Our immersive approach means teams are set-up to get into action quickly, with conviction. We can help them do this so they learn as they go, using early visualisations, prototypes and programmes of structured innovation alongside a narrative that allows the whole organisation to come on the journey too.

USEFUL ACROSS INDUSTRIES

We've come to this view on proposition development through work with clients across many situations and sectors.

- This includes helping Post Office Money develop a new approach to growing customers' savings, learning from Olympic rower Steve Williams about creating new habits that last.
- Helping Visa with their contactless payment proposition where in the early years they learned that the person in charge of selling M&S sandwiches wanted an Oyster card for his customers, but that he didn't know it was called a contactless card. This led to a breakthrough. For the Visa team it gave a better understanding of who their customers were (not just Treasury and IT but retail managers running areas that needed faster, easier payment) and it led to M&S adopting the technology early, contributing momentum towards the current tipping point we're now experiencing across Europe.
- It includes helping Morrisons see that customers really do value their ability to be both foodmakers and shopkeepers as long as the ideas remain tangible and down to earth, and then, learning from parallels including the Royal Marines and Timpson's, that genuinely cheerful colleagues and stores matter in providing outstanding service, shifting their approach decisively away from managing tasks and freeing people up to be themselves.
- It covers work with Tesco Mobile who, by listening to a co-founder of Zopa, realised they needed to make the most of their real advantages – not being a bank for Zopa, being part of Tesco for Tesco mobile – and as a result, paying for Tesco mobile services is now one of the top five uses for Clubcard points across Tesco's customer base.
- It involved helping the HSBC Connected Money team learn first-hand from customers that they assumed their money would be spread across different banks, that they still highly valued individual support, and that they expected – not just wanted – banks to find a way to use all this data to help them make better decisions. All inconvenient truths in their own ways, leading to the global launch of a successful new service from the bank.
- And it includes work with O2 Prepay who learned from parallels with easyJet about taking a discount airline ethos but making it work in more premium ways, leading to a re-framing of pre-pay from 'cheap' to being all about control, giving O2 a decisive lead with a range of easy SIM-only relationships and the Apple iPhone being made available to Prepay customers, a world first.

WHO THIS IS FOR

Our proposition development help is most valuable when new perspectives are most needed, in ways that challenge existing inside-out thinking. This may be when an organisation is hungry for new customers, entering a new category or looking to reverse decline, reinventing what they are about in some way.

Our help is most useful for:

- Chief Marketing Officers or Heads of Propositions who need a creative, commercial, and impactful way to get the whole organisation working towards what matters to customers.
- Heads of Customer Insight, looking to find a way to change an organisation based on what really matters to customers, turning insight into real action.
- Heads of Innovation needing to push their organisation beyond the status quo in a way that is still customer-led and has a clear commercial benefit to the company.