

ICMA General Meeting

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BUSINESS OPERATIONS FORUM

CASE STUDY

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Preliminary Q&A

Open Discussion	
1.	How and who defines product roadmaps in your company at present time? Who leads this process? Do you use any product management frameworks?
2.	How do you prioritize decisions around those roadmaps? Who has the last word?
3.	How do you chose technologies to support these decisions?
4.	How and who designs commercial packages?
5.	How and who trains your sales staff? How <i>often</i> ?
6.	How and who measures success? Where and how do you use KPIs?

A Case Study for Today

• Task for today (In groups)

- Your company has chosen to start a transactional online platform in the booming household deco & appliances market. Until now you have operated classified ads websites focused on real estate rents/sales. Your company also publishes leading weekly newsprint classified papers in 3 regions (mostly focused on real estate ads) and a monthly real estate photo-ad supplement
- The new growth area will be approached with **innovative** functionalities & income models and a lean (agile) organizational approach, according to the wishes of the CEO & Board

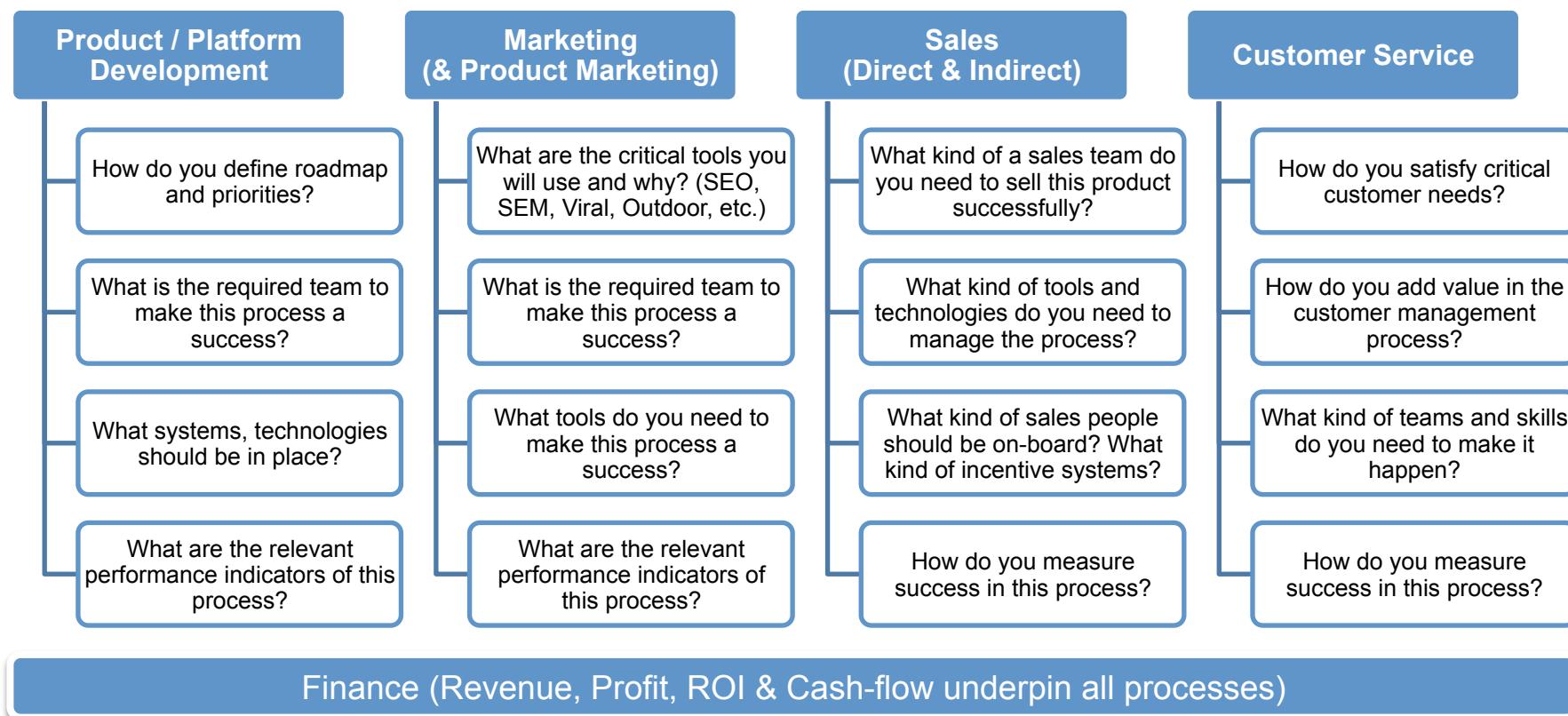
• Constraints

- You should plan to reach break-even in 24 months and around 35 - 42% profit margin in 3,5 - 4 years for the new growth area

Case Study's Issues to Address

Instructions

For each of the following **4 key operative areas** address the **key success factors** needed. Use the questions listed below each one as orientation. The key is to name **critical assets, capabilities and systems** which are needed for each process. Make your plan with **one page per area**.



Source: Adapted from Michael Porter's value chain analysis, primary activities

What are Key Success Factors

“The critical factors or activities required for ensuring the success of your business. A critical success factor is **not** a key performance indicator (KPI). Key success factors are **elements that are vital for a strategy to be successful**. KPIs are measures that quantify management objectives and enable the measurement of strategic performance”

“A critical success factor is what drives the company forward, it is **what makes or breaks the company**.

Staff must ask themselves everyday *why would customers choose us?* and they will find the answer is the **key success factors**”

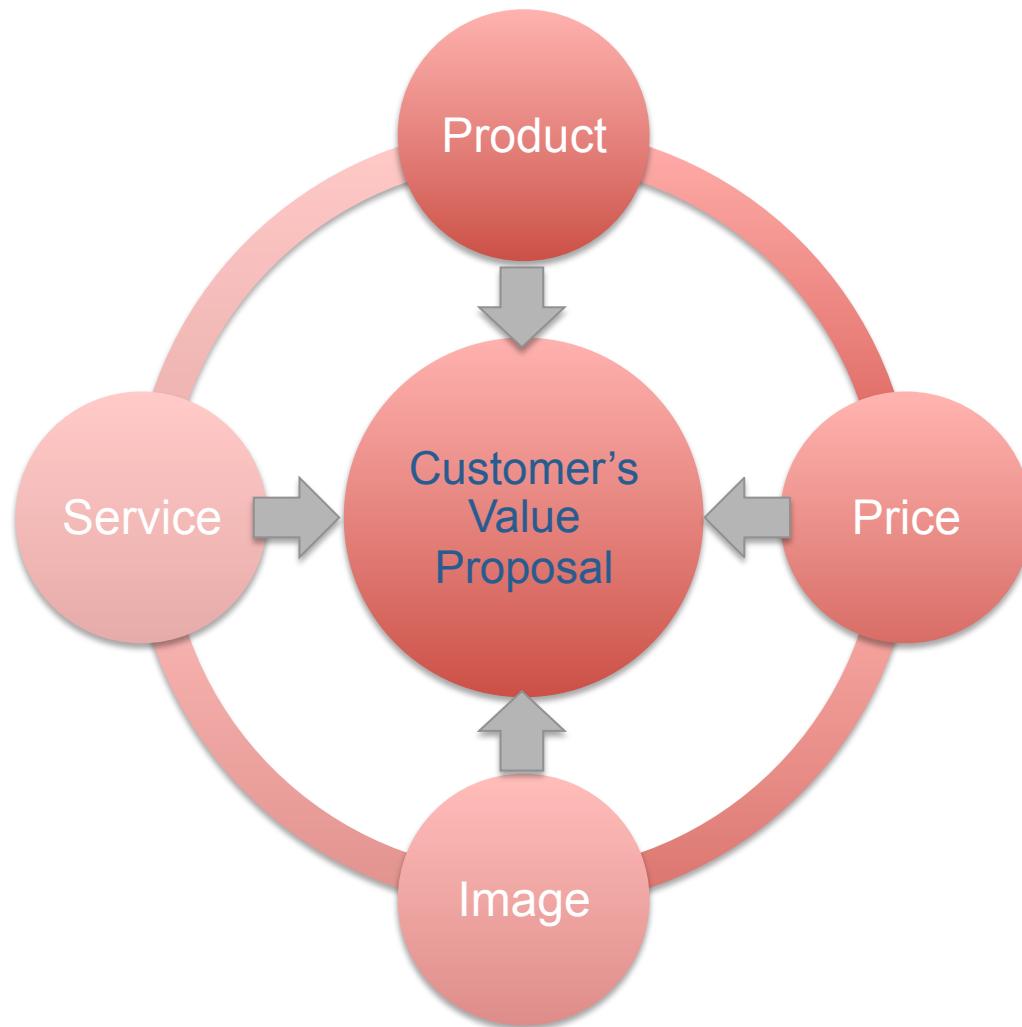
Sources: Wikipedia, D. Ronald Daniel, Jack F. Rockart

How are they Categorized

Key Success Factor	Description
Assets	<p>Properties of the company that are needed in order to execute the key success factor.</p> <p>These may include equipment, property, technology (hardware/software), paper (for printing companies), among others.</p>
Capabilities	<p>Human capital and skill sets that the company needs in order to execute the key success factor.</p> <p>Capabilities can, at any time, "walk out the door", so to speak.</p>
Systems / Processes	<p>Business systems, legal or logical, that need to be in place in order to execute the key success factor.</p> <p>These may include, patents, contracts, strategic partnerships, contingency plans, license agreements, among others.</p>

Source: IMD Professor Ralf Boscheck

Customer Value Management



What is Customer Value?

The difference between customer realization and sacrifice. **Realization** is what the customer receives, which includes product features, quality, and service. This takes into account the customer's cost to use, maintain, and dispose of the product or service.

Sacrifice is what a customer gives up, which includes the amount the customer pays for the product plus the time and effort spent acquiring the product and learning how to use it. Maximizing customer value means maximizing the difference between realization and sacrifice.

Source: [allbusiness.com](http://www.allbusiness.com)

Results

Group #	Participants	Votes from peer groups				Total	Position
Group 1	Gil Garcia, Raul Dueñas, Benny Kerkhofs, Konstantyn Zubov, Georgios Hadjigeorgiou	3	3	3	4	13	#3
Group 2	Manuela Cruz, Irina Popov, Mireille van Engelen, David Altomare	2	1	3	1	7	#1
Group 3	Marc Mandt, Rickard Petersson, Clara Llamas, Ricardo Amaro	1	1	1	4	7	#1
Group 4	Tomasz Odrobinski, Timo Smeets, Mihaela Stambeca, Zoltan Balla, Pavlo Karmatsky, Oleh Tseluyko, Andris, Stinka	4	4	4	2	14	#4
Group 5	Loredana Ghejan, Sorin Petcu, Eero Korhonen, Annick Moermans	2	2	2	3	9	#2

Voting rules & scale where decided in the room by the groups themselves: Voting in a rank from 1 to 4, 1 being best project and 4 being worse project as perceived by the peer groups. Voting is done by the groups in consensus within the group, not by individuals. Voting guidance: look for innovation, feasibility and good processes.