

# *Key Findings*

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## **Democratizing the vendor client interface**

In a matter of a few short years, the Internet has gone from curiosity to necessity in the arsenal of business-IT weapons. But as we all know, it has become much more than an IT tool; it is not stretching things to call the Internet one of the major democratizing forces of the times we live in. All over the world people are using the Internet to exchange ideas and information and to break down barriers. On public radio the other day I heard that there are bloggers (people who write Web-logs or blogs) in Baghdad reporting on life in the country since the occupation started. I can imagine how different things might have been if the students in Tiananmen Square had the Internet instead of simple fax machines.

It seems almost quaint, looking back on it, that a few years ago one of the big questions on the minds of nearly everyone in the technology business was how to commercialize cyber space. For the most part that got figured out though the iterations continue and in an interesting twist, some companies are now using the Web to bring a form of democracy to commercial interactions.

Last week I wrote about a book called *The Support Economy* in which the authors, Zuboff and Maxmin, call for a new business model — what they call the “next episode of capitalism” — in which vendors will solicit customer input to a far greater degree than they do today. The authors say that input will go into developing products and services that people really want to purchase rather than elaborate attempts to sell what the mass production machine has made.

### ***Capturing the voice of the customer***

While I agree with this direction, the discussion also implies that the business processes we use today for customer relationship management will either change a great deal or be totally replaced by new processes. There will always be a place for “conventional” CRM — those systems of record that capture important customer demographic, transaction, and service information, and I can’t imagine those systems looking or acting a whole lot different from the current batch of systems we have. At the same time though, capturing the voice of the customer as a business process is going to require a different approach to application software.

One reason that I like working with emerging companies so much is that they really are the laboratory where new ideas get tested and are first commercialized. They are wonderful examples of how the free market works best. The idea of capturing the voice of the

customer has been around for several years. Back in 2001, before the recession, my colleague, Harry Watkins, began researching the subject and gave a strong push to the terminology. Watkins found many examples of companies that had independently decided there might be a market for applications that captured customer input. Over the last few years, companies with a vision of capturing the voice of the customer have been garnering and nurturing their first customers, managing their cash, and building their businesses.

### ***Web-Necessary applications***

What's interesting to me about all this, aside from capturing customer feedback, is that many of these companies have independently settled on a technology model that pushes the application hosting paradigm even further. I have called the new paradigm "Web-Necessary" to distinguish these applications from "Web-Friendly" applications that essentially use the Internet as a transport medium. Web-Necessary applications can be very different from one another in terms of the business processes they support, but they share three important characteristics:

- They involve the Internet as an active part of the value proposition
- They support innovative business processes that in most cases could not be easily supported any other way
- They are collaborative, bringing together people from disparate roles, geographies, and organizations to participate in these business processes

As it turns out the Web-Necessary model is ideal for capturing the voice of the customer, but it's also a great way to deliver services too. Whether one wants to perform a survey, run a focus group, keep tabs on an indirect sales channel, or any of a number of activities that require a degree of multiple input and information exchange, the Web-Necessary application model is a good fit. Increasingly, people who care about capturing the voice of the customer tell me that, rather than automating people out of the business process, Web-Necessary applications enable organizations to bring the right talents to bear in support of the customer — and that means in sales and marketing not simple customer service "support". Those talents might come from inside an organization or outside of it. And because customers and outside talent can live and work anywhere, Web-Necessary applications' ability to capture information asynchronously can be a big plus.

But capturing the voice of the customer is only a subset of what Web-Necessary applications can do. Once a customer need is discovered the Web-Necessary model is an ideal forum for assisting customers. Web-Necessary applications also open up new business opportunities especially those that can be categorized as "business service provider" or "business process optimization" oriented.

To my mind this is an exciting development. Capturing the voice of the customer will really bring an element of democracy to the vendor-consumer relationship that has for too long looked a lot like a benevolent dictatorship. And the Web-Necessary platform provides an efficient and cost effective means for delivering services and products. For the first time since the general store, the Web-Necessary paradigm will ensure that on the other side of the conversation there will be someone there who will mean it when they ask, "Can I help you?"