CHAPTER VII

OPERATIONAL STRATEGY DEVELOPMENT PROCEDURE

7.1 Introduction

Being a customer centric organisation has been a strategic focus for AIS to strengthen relationships with customers and be recognised as the premier service provider. To achieve this goal, AIS needs to have an in-depth understanding of customer behaviors, in order to fulfill the customers' desires and expectations. This chapter is identified the operational strategy development procedure to help AIS to better understand the customer's activities with AIS throughout the customer life cycle. Since customer's behavior is dynamic, AIS must dynamically move fast to better serve them also.

7.1.1 Objective

To identify, analyse and update all customer requirements to deliver attractive operational strategy to delight target customers' needs and wants customer all the time through this operational strategy development procedure.

7.1.2 Scope

The procedure covers the concept of the marketing tool which are marketing research and marketing mix to collect customer requirements and generate attractive operational strategy. Moreover, covers the quality measurement tool which is used to determine the customer requirements by Kano methodology and comprehensive quality system, Quality Function Deployment (QFD) aimed specifically at satisfying the customer throughout the development and business process.

7.1.3 Responsibilities

Most of processes of operational strategy development procedure are best implemented by using multi-disciplinary team which includes Market and research department, Product development department, QFD team which consist of engineering,

and quality management department, Marketing department, and Business strategic planning department. Discussion with a wide variety of experts is especially important in the development of attractive operational strategy that shall be reviewed and updated overtime to reflect the current business and environment.

7.1.4 Procedures

To achieve the above mentioned objective, the procedure requires five activities:

- Focus group Survey
- Kano Methodology
- QFD Analysis
- Generate Attractive Operational Strategy
- Verify Attractive Operational Strategy

Each activity will be describe below to gain more understand of the functions and responsibilities. All of activities will be review every three months because of customer requirement of mobile phone service provider has been dynamic and rapidly changing. The company shall establish written procedure to ensure that products and services will meet the customer needs and the way organisations deal with the customer to improve customer satisfaction. The attainment and maintenance of satisfactory levels of customer satisfaction is today fundamental determination for business growth, and economic capability.
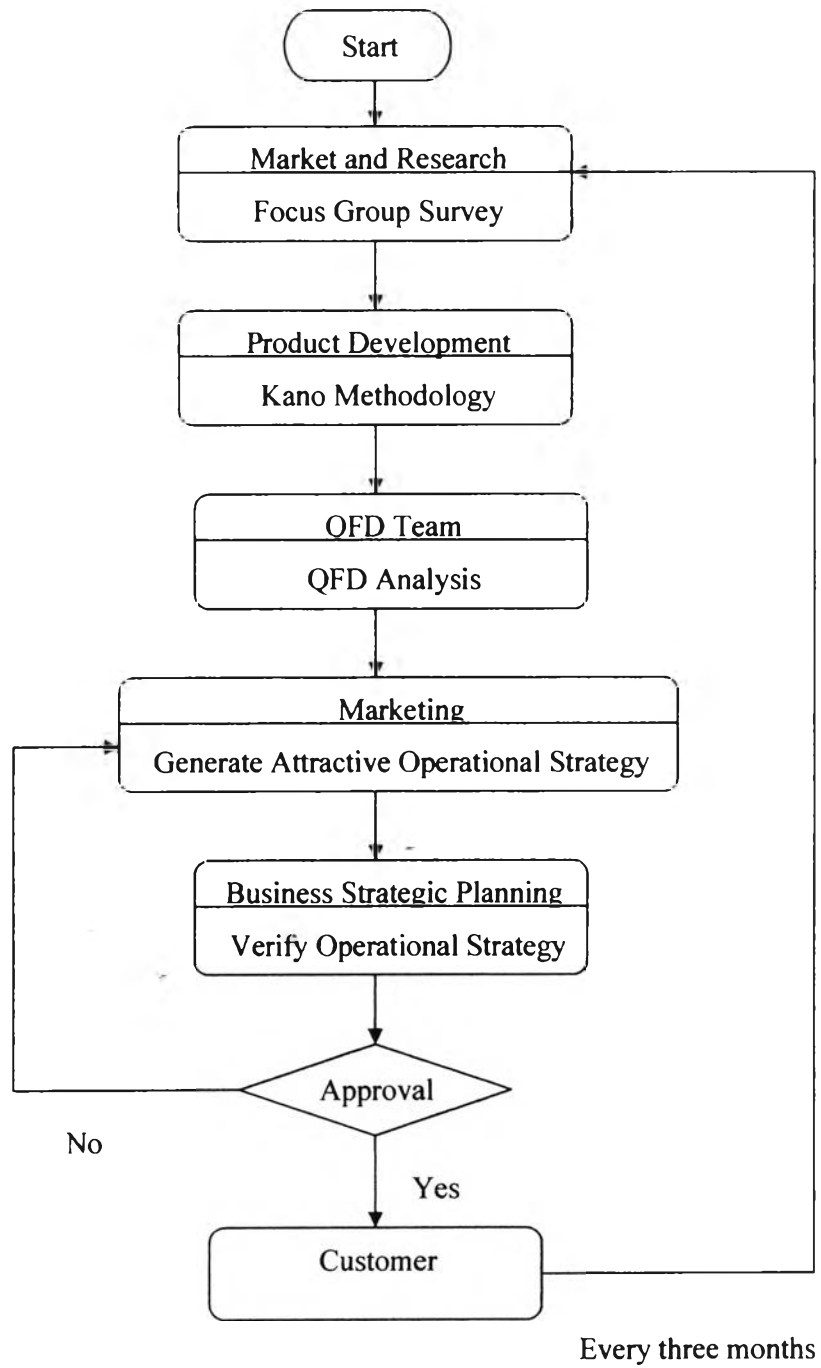
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Every three months

Figure 7.1 Operational Strategy Development Process Flow

7.1.4.1 Activity 1 - Capture Customer requirement

First of all, customer requirements are crucial for business as reflect the feedback of what customer experienced, what they are concerns and what they are expecting from the company. This would help the company in improving products and services to respond needs and expectations as well as providing new business opportunities for implementing implications, which resulting in higher customer satisfaction and higher revenue to the company.

In this study recommend that focus group technique is the effective way to collect the requirement of the customer. The objective is to find out the like, dislike, trends, and opinions about current and future of both products and services. It typically aims to bring together the attitudes, beliefs, perceptions and experiences of different customers. Especially is the effective way to evaluate different concepts and explore new ideas. The methodology of the focus group describe in the chapter 3.

Organisation can be uses focus group research to decide what to produce to satisfy customer requirements. Some customer requirement adversely affects others, and customers often cannot explain their expectation. Frequently, customer expectations are vague and general in nature. Considerable amount of effort is put into research to determine customer expectation. It is a job for the marketing and research team to collect these customer expectations into more specific customer requirement. Marketing and research department should do the focus group research once a quarter of the year to capture the dynamic customer requirements. This process increases the initial planning stage of the products and services development cycle.

In competitive situations when products and services provide similar performance, addressing the attributes that delight and excite customers can provide a competitive advantage. Benchmarks with other organisations are a possible solution to this problem. Benchmarks is the fundamentally an approach to self-evaluation through comparative analysis for the purpose of self-improvement. The objectives are to facilitate improvement, development, change and to satisfy expectations and requirements of professional accountability.

7.1.4.2 Activity 2 - Evaluate customer requirement by Kano methodology

Since the impact on customer satisfaction is different for each customer requirement, it is important to determine which requirements of a product and service bring more satisfaction than others. In order to design and prioritise product and service, duty to the product development team to map the customer requirements into product and service features. One widely-used method is the Kano model.

The Kano model classifies product attributes and importance based on how the customer requirements are perceived by customers and effect on customer satisfaction. The Kano classifications used to capture this information identify which requirements drive customer satisfaction, and indicate where a company should focus to retain market competitiveness. Therefore identifying the customer requirement is of great importance.

The Kano model provides product development team with a tool for assessing attribute importance and interpreting performance evaluations in each customer requirement. Because of customer expectations change over time it can be notice that today's attractive attributes can be tomorrow's basic attributes. Thus simple market surveys are not sufficient; rather it is important to get a deep understanding of customer needs. Kano developed a structured customer questioning methodology, which call Kano questionnaire to help characterise different features and remove ambiguity by ensuring that categorisation is based on customer research which marketing researchers are familiar.

The methodology is relatively straightforward which more detail in chapter 4. Firstly, determine main features, which need to be classifying the features of interest need to be determined. Next, develop questionnaire, the questionnaire aims to understand how potential customers would feel if a feature was either present or not present. In practice, prioritising customer requirements is necessary input for decision making. Once these priorities are assigned, customer segments are derived based on these priorities using cluster analysis. The idea is to classify all quality requirements according to the theory of attractive quality. The suggestion is to fulfill all must-be quality requirements and be competitive with market leaders, and also to regard the

one-dimensional quality requirements. Moreover, the attractive quality requirements must be included in order to delight customers. The Kano model is especially useful in this regard, particularly through the discovery of attractive requirements.

Another related requirement can arise when monitoring attribute importance over time. Research has shown that requirement importance changes as use of a product or service evolves. In fact, with respect to attractive requirements, product development managers should expect that once product gains a competitive advantage by exploiting an attractive attribute, competing products will likely follow with their own versions of the attribute. Eventually, what was once an attractive requirement may evolve into a one-dimensional or must-be characteristic. This would have important strategic implications for product planning and management. Product and development managers' ability to respond quickly to consumers' changing expectations becomes critical once knowledge of shifting attribute importance is available. Really successful products are frequently due to newly identified attractive features that address those basic customer needs in innovative ways. The dynamic nature of Kano's model suggests a need for ongoing measurement of customer expectations over a product's lifecycle.

7.1.4.3 Activity 3 - Prioritise customer requirement and technical characteristics by using QFD Technique

Quality can be defined as meeting customer needs and providing superior value. This focus on satisfying the customer's requirements places an emphasis on techniques Quality Function Deployment to help understand those requirements and plan a product to provide superior value. The approach uses qualitative information, including expert opinion, to forecast demand. This approach may or may not consider the past. Qualitative approaches are used when information is unstable, as in the elementary stage of the product life cycle.

The various data inputs that are required for QFD necessitate that use of a multi disciplined team. This team should also include key people who are expert in QFD works together during the whole QFD process. Teams are composed of member from marketing, sale, product development, engineering, and quality management

departments. It is importances to ensure that team members are able to commit the necessary time and that understand the purpose of the team. Time and inter-team communication are two very important things that the team must utilise fullest potential. Using time effectively is the essential resource in getting the project done on schedule and using inter-team communication to fullest extent will improve unexpected problems and make the project run smoothly.

This situation implies that the QFD team has to introduce and expectation or requirement in products and services that the customer are expecting and would appreciate. The entire QFD process is carried out by a team with representatives of all departments and is to be extended in several team meetings by the selected typical customer representatives.

QFD begins with marketing to determine what exactly the customer desires from products and services. Market research has always been an integral part of product and development. These activities are focused on the development of new products and services and engineering capabilities, as well as on improvements to existing products and services. As a result is a total reduction of the overall cycle time in bringing to the market a products and services that satisfies the customer.

The second major input is the technical characteristics, compiled by the QFD team, among them particularly engineers, that includes the potential product functions. The engineers assure that the features can be implemented and that technological breakthrough innovations are not ignored. The classic QFD also uses measurable quality elements. These are derived from the requirements by the engineers.

Using QFD to derive a new product from an existing product platform as well as to develop a new product platform, and finally to differentiate common modules from variable module. Their approach is primarily based on checking whether a certain feature is part of the core functionality or not, and close cooperation between Marketing, Sales and Engineering. While this approach stresses the need to cross-check customer input with technological input, identification of customer groups and their needs seems to depend on Marketing. Additionally, existing and potential customers are not included

in the cross-checking process which results in their input being filtered by Marketing and Sales.

The QFD results provided an understanding of customer priorities, customer perceptions and the metrics necessary to ensure that customer requirements are addressed. Identify what the customer is really looking for in the way of market driven features and benefits.

7.1.4.4 Activity 4 - Development the attractive operational strategy plan

From the result of analytical above, the company can respond quickly to shifts in both product demand and customer needs. Strong relationships with customers are required in order to identify changing needs and quickly incorporate design changes into their end product. Thus, the marketing department can be generate the attractive operational strategy plan to provide direction for remaining market driven, and assures that the product or service developed will meet, or exceed, customer expectations.

7.1.4.5 Activity 5 - Offer to the market

After generate the best solution for attractive operational strategy. The business strategic planning departments authenticate these strategy before propose to the market. Once the attractive operational strategy approve will then responsible for deliver the superior quality of product and service to customers the best value, quality in service of the market by marketing department.

7.2 Review and Verify by specialist

The operational strategy development procedure provides the key requirements of mobile phone service provider to generate high customer satisfaction are to deliver high customer value. This procedure will help create a new requirement from customer, targeting specifically on customers' needs previously overlooked. Using this procedure, One-2-Call! has opened up a new customer requirement with a strong growth potential. The improvement will also sharpen the company's competitiveness to compete with conventional offerings available in the market.

To maximise its customers' satisfaction, from providing the best service to customers, One-2-Call! regards the significance of building good relationship between the company and its customers. Therefore, One-2-Call! has arranged customer relationship activities regularly and continuously. In order to improve service and privilege to strengthen the relationship with One-2-Call! customers, a study is necessary. Company can profit from the rising demand if it found the attractive operational strategy to gain market share. Experience has shown that a high coverage of the network, specifically, the possibility to use a mobile phone in most parts of the country, is more important for the customer's purchase decision than the technology used or even attractive tariffs.

The mobile phone service operator provides an excellent setting in which to explore the strategic role of attractive operational strategy procedure and its impact on customer retention or the creation of a loyal installed base, is one of the main priorities for the operators. Another point is to differentiate themselves in order to keep the customers they have invested so much in to acquire, and attractive operational strategies appear to be playing an important role in these efforts.

Subsequent to propose the operational strategy development procedure to the marketing department of One-2-Call! product which validate by the specialist of One-2-Call! marketing department.

As the specialist of One-2-Call! marketing department propose that although discussions on introducing effective and tangible prepaid customer retention management had been going on in the industry for a while, no operator had ever translated the idea into practical outcome. Operational strategy development framework, therefore, is the first tangible, comprehensive understand customer requirement ever available in the prepaid market. It has 'Simplicity' because it adopts the same process as repeat every 3 months as finding attractive requirements. It offers benefits that what customers really want. Lastly, it creates a series of 'Surprise' through a variety of products, services, and privileges offer to the customers.

"One-2-Call! hopes that through the operational strategy development procedure initiative we can retain existing customer and attract new customer. Moreover, market

share will be increase and responses customer needs in every segment. The new direction will bring the competition to the next level to better serve specific needs of customer" concludes the specialist of One-2-Call! marketing department.

7.3 Improvement

By examining the mobile operator industry the companies are able to apply the operational strategy development procedure to a dynamic environment in order to test its applicability and usefulness. In addition, the companies are able to analyse both the use and effectiveness of attractive operational strategies in the mobile phone service operator industry. While the companies are still in the process of completing the analysis for this work, believe that this procedure makes a positive contribution to the strategic management field for a number of reasons.

Exploratory the mobile phone operator industry through the lens of this procedure, the company adds a new and insightful approach to attractive operational strategy in an extremely dynamic and competitive industry. As the reach of the environment expands to include and impact more and more industries and firms, the companies believe that operational strategy development procedure will take on an increasingly strategic role. Therefore, the insight gained from this thesis regarding strategic procedure in the Thailand mobile operator industry can provide an important basis for future research that explores the strategic role of operational strategy development procedure in other industries.

From a business point of view, there should be as many different requirements of a product line as are necessary to satisfy the needs of the customers in the planned, profitable market segment. The common core consists of all features common to all requirements of the product line, the differences result directly from the different needs of different customers in this market segment. The attractive operational strategy to gain a deep understanding of the marketplace, identify strategic outcomes equivalent to customer requirements and predictive metrics and identify what they call natural segments such as customer segments that share the same perceptions about outcomes, and more importantly who can be expected to prefer the same products or services.

Also it has been shown how operational strategy development procedure can be used to identify different customer groups and their needs, to systematically derive a product portfolio and derive common and variable product functions including exciting requirements that the customers would not have come up with on their own. Thus, business applications that is highly customer- individual and at the same time cheaper to implement, while still allowing adequate profits, seem possible. As with the two growth directions, the intention is to attract new customers, and retain existing ones. Operational strategy development procedure offers the advantage to a business of dealing with customer needs of which it has some experience because they are within its existing market.