

Projects & Customer Knowledge: Why Projects Fail or Succeed?

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Agenda

- Primary reasons to fail
- Importance of customer knowledge integration
 - How you assess the value
 - Who is your customer
 - How to communicate with the customer
 - The benefits and costs
- Examples
- Questions

Why Projects Fail

- Poor requirements or understanding of users needs
- Unrealistic project work plans
- Technical complexities not well communicated to project team or customers
- lack of coordination and communication among team members
- Your customer may want to hold out for the maturing of the products
- Failure to set and manage expectations
- Lack of Customer Involvement

Projects largely fail due to the inability to manage project knowledge effectively

What does managing project knowledge entail?

- Managing Project Information (scope, schedule, cost, specifications .etc)
- Managing Knowledge and expertise of project team members
- Managing customers knowledge
- Managing relationships between customers and teams members

Customer Knowledge

Customer knowledge refers to knowledge that resided in customers in the form of experiences and insights about organizations products or services.

**Customer Knowledge
VS
Customer Relations**

It is important to differentiate between customer knowledge and customer relation. Although there is some overlap between them, customer knowledge includes a wider variety of less structured information that will help build insight into customer relationships.

Customer as Innovators

Cisco had several highly sophisticated customers who weren't satisfied with "solutions"; they wanted to see and understand the thought process behind the company's proposals. By enabling customer to participate in the network simulation they become true design partners according to Randy Pond, Cisco senior vice president of operations, 2004.

Customer Involvement

Key issues in customer involvements in projects

- Must be able to speak the same language as the customer
- Must establish a trust between customers and team members
- Customers must be motivated to take part in the knowledge sharing process

Customer Knowledge Acquisition

- Identify the right customer
- Differentiate between relevant and non-relevant information
- Accommodate a wide base of heterogeneous customers to create a diversity of perspectives
- Build communities of practice and groups of expert knowledge
- Develop an environment where knowledge can be created and shared continuously
- Create the sense of belonging so that customer can volunteer their valuable knowledge.

Possible Outcomes from Customer Knowledge

- Innovation potential, creating new products & services
- Enhancing existing products and services
- Validating accumulated knowledge of market needs
- Faster response to market needs
- Faster access to knowledge about customer service problems

Risk of Customer Integration

- Risk of selecting the wrong customer
- Risk of getting the wrong information
- Risk of managing relationships
- Risk of managing expectations

Customer Integration Issues

- Dependency on customer demand and personality
- Intellectual capital issues (who owns what)
- Confidentiality issues



TGI Fridays

- The healthier food options from customer
- Integrate knowledge by changing chips to baked potatoes
- Low-fat diet
- Data mining and POS (point-of-sale) uncovered the profitability of the ideas derived from customer => change their menu
- They gained competitive edge

Barriers to Customers Integration

Despite the recognized importance of customer knowledge and its impact on project failure, many managers stay true to their belief that customers are incapable of contributing much of significant value to the project management activities. It is widely perceived that customers are not capable of identifying their needs and therefore, organizations sometimes employed external consultants to help with the requirements.



The Art of Turning Customer Problem into Customer Solution



Research Questions?

- What are the barriers to customers integration in project activities
- What percentages of customers knowledge gets integrated in project activities
