

Shaping a Client's Value Proposition

'Voice of the Customer' research to inform the value proposition and business model of the future in the CRES & FM outsourcing industry

OVERVIEW

peoplewise was commissioned by a market leader in the CRES & FM industry to deliver quantitative research with over one hundred CRES FM senior professionals and industry leaders to gain insights into how and why they plan to purchase outsourced CRES FM services in the future. Insights from the research were used to interrogate the current and desired future market position and inform the revised company-wide client value proposition, strategy and organisational structure.

WHAT WE DID

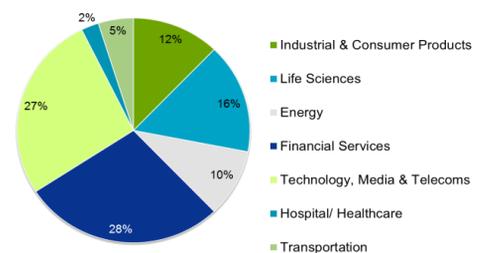
Our research extended previous customer surveys, which primarily focused on identifying market unit trends, highlighting commonalities and differences between factors that influence customer satisfaction and loyalty. These past surveys were useful for isolating differences in customer satisfaction and drawing links to loyalty. However, they were not able to isolate underlying drivers for differences in customer behaviour across market segments and under what conditions customers would be most likely to purchase different service lines.

Step 1 – the approach

The **peoplewise** research approach tested hypothesised key buying behaviours within critical market segmentations, including geographic scope and service line integration, years of outsourcing, and the importance of

realised costs versus other elements of value. Insights from the survey were used to test market perceptions of the company in order to determine in which market segments, under what conditions, and with what 'product mix' it would have the 'right to win'.

Figure 1. Industry breakdown



Step 2 – the sample

The respondents represented an influential sample of the FM & RE outsourcing market, with almost three quarters all respondents working as Director/ Partner or Senior Management with significant influence on the purchasing decision, and just over half operating at Global level.

Step 3 – the analysis

We conducted a number of analyses aimed at identifying purchasing patterns and trends, purchasing value drivers, and market segmentation analysis. Further analysis on each market segment was conducted to identify the current size of the market (e.g., total current spend, square footage, contract cost, contract duration, current commercial model etc.) and anticipated growth opportunities.

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KEY FINDINGS

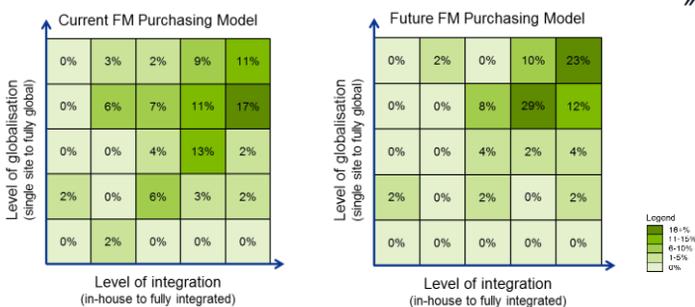
Our findings indicated that service demand would continue to grow significantly over the next 3-5 years, with anticipated change in what services would be bought, and how those services would be purchased, notably with a significant increase in globalised and integrated purchasing, see Figure 2.

Driven by the dual pursuit of efficiency and value, this shift in buying preferences was influenced by the desire to leverage scale and create greater visibility across the outsourced portfolio.

So what?

Over time, greater integration of outsourcing services has the potential to create even more value by facilitating a richer partnership between customer and supplier. With deep knowledge of the portfolio, customer priorities and processes, suppliers develop the understanding and insight to instinctively act as an extension of the customer, adding more value by seamlessly supporting the customer's core business.

Figure 2. Current & future FM purchasing



OUTCOMES

The research findings and insights were used to drive business transformation to ensure that the company would be equipped to meet customers' next generation expectations. As a result it allowed the organisation to:

- » Identify critical capability strengths and gaps – where are we now, and where do we want to be?
- » Define the new company strategy, service delivery model and organizational structure
- » Craft a compelling client value proposition targeted at known market segments
- » Define the required talent capabilities to deliver the new strategy and client value proposition
- » Identify where to galvanize and focus sales and marketing strategies, and how to target messages based on known purchasing value drivers
- » Identify where to invest to anticipate and deliver to changing client expectations, e.g., digital data management strategies
- » Invest in identifying the best talent and upskilling existing talent to deliver to then new strategy

peoplewise is one of the world's leading business psychology organisations. Every day it enables change in individuals, teams and organisations, transforming from the inside out.

Its primary focus is to promote strategic growth and change at all levels of an organisation, by combining psychological insights and evidence-based best practice with a comprehensive appreciation of an organisation's business goals. It does this by designing and delivering innovative, sustainable cost-effective solutions that deliver.

peoplewise has expertise in human behaviour, strategic organisational research, change management, leadership assessment & development and research methods.

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