



Understanding Customers, Users and Stakeholders

Delivering value requires clarity on who the customers are and how they differ from peripheral stakeholders.

Customers:

- Responsible for outcomes and results
- Pay for products/services
- Decide on provider selection and retention

Users:

- Utilize and benefit from outputs directly
- May not pay directly or control provider choice

Stakeholders:

- Impacted by operations in some way
- Don't directly use outputs or control provider decisions

Common examples:

- In retail, end consumers are customers. Store staff are users. Investors are stakeholders.
- For software services, client firms are customers. Their employees are users. Vendors are stakeholders.

Key differences:

- Customers control provider choice and pay for services. Users and stakeholders don't.
- Customers focus on outcomes. Users focus on experience. Stakeholders focus on adjacent impact.
- Customers determine success criteria. Users and stakeholders influence them.

Implications:

- Anchor objectives on customer needs over other voices.
- Understand user and stakeholder expectations but calibrate importance.
- Survey customers regularly. Observe users. Consult stakeholders selectively.

Clarity on the customer-user-stakeholder ecosystem enables sharpening of focus on those who determine success. This guides operations management priorities.