

Customer Value—Using it Wisely.

"It is becoming increasingly more difficult to differentiate yourself by what you sell. If you are unwilling to differentiate yourself in how you sell, then you will by default, end up differentiating yourself by how much you sell it for."

H. R. Chally

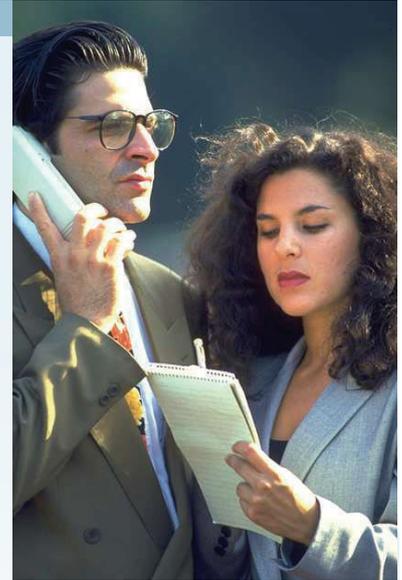
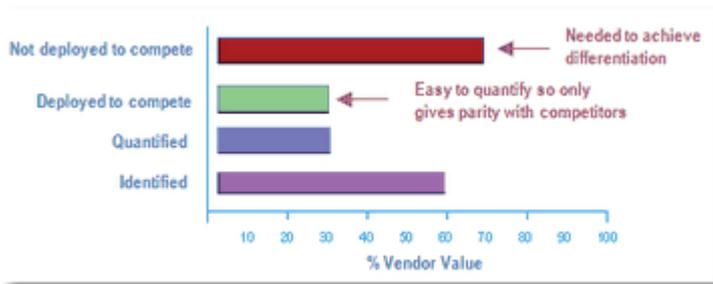
The new business battleground for large, complex, consulting led deals is 'sales' not 'product' or 'service'.

Customers continue to buy on price - the lowest price - without regard to the value your solutions would deliver to them. It's the vicious downward spiral called commoditisation that keeps your margins continuously under pressure.

But commoditisation is not inevitable. It is possible to resist it by demonstrating your real customer value - but it has to be compelling for the customer.

Our experience shows that most vendors have identified about 60% of their potential customer value but can quantify only about 50% of that.

This means they can only compete with about 30% of their value potential. Trouble is that this 30% is the easier part - so easy, that their competitors have also figured it out - which means that everyone's back to parity - no advantage - no differentiation and 70% of their capability unused in the tussle for competitive advantage.



Contents

- What is Value Selling..... 2
- Symptoms & Causes 4
- How do you identify value..... 6
- Solutions 8
- Feedback..... 9
- About Lucidus 13

Better understanding leads to better decisions

"When we ran the recompete post-mortem from a 'value' perspective, we found we were actually delivering \$2.3m of additional customer value pa that the customer didn't know about—and neither did we — it's why we lost".

VP Sales - Electronics Manufacturing



Lucidus

Introduction

This article is brought to you by Robert White - CEO of Lucidus Ltd, dealing with the subject of 'Value' in the sales process. We will discuss the extent and implications of 'hidden' customer value and the potential effect it could have on your competitiveness. We describe ways to help you reveal your total 'value capability'.

As you know, customers continue to buy mainly on price and usually without regard to the value your solutions deliver to them. It is, of course, the vicious downward spiral of commoditisation. We seek to understand why this happens and what you might consider doing about it.

What do we mean by 'Value Selling' ?

Effective solutions depend upon a clear understanding of the problem. So first we'll try to shed some light on the factors that lead inexorably to squeezed margins. It's then worth spending a minute or two to determine whether this is a relevant problem for your organisation, so we will look at some symptoms.

"The value simulator is key to explaining and getting comfortable with the numbers - you cannot rely on 'trust me' - we need the simulator to illustrate the depth and granularity behind the numbers."

Melinda Rogers - Vice President, Venture Investments, Rogers Communications

"The actions that organizations must take to nurture the new era sales culture and create the appropriate competencies are not easy to do. In fact, it can be counter-intuitive for sales people"

Rick Justice
Senior Vice President
World Wide Field Operations
Cisco Systems

Given that you recognise some of the symptoms, we'll then go on to discuss what we believe to be the underlying causes to better understand the nature of the problem and then on to our view of what a practical solution might look like.

The Problem

To understand what's really going on in the world of the complex sale we need to think like a customer. If I think I need a complex solution then, by definition, I have a complex problem to solve. And this means that I'd better have a strong decision-making process that will bring me to the right solution.

So the first thing I need as a customer is a quality decision-making process. You know the kind of thing..

- Are there performance risks?
- Should we be concerned?
- What's the financial impact?
- Should we react?

- If we fix it, what do we want?
- What do we need to change?
- What's our best option?
- What risks will we face?
- And finally, is it going to be worth it?

Now, if we think about the actual customer buying process, and assume that adherence to the optimal customer decision process represents 100%, how would you rate your customer's performance?

Well, our experience suggests that they routinely achieve no more than 25%. And this mainly because the problems they try to solve are now truly complex. They are multifaceted with multiple impacts across the organisation - that are difficult to perceive, understand, value and manage. And on top of all this, someone has to create and argue the business case, which of itself can be a highly risky undertaking.

In such situations then, it's inevitable that the customer is going to be surrounded by a great deal of uncertainty - and uncertainty defeats decision-making. So, if the customer isn't doing too well in acquiring complex solutions, how's the vendor doing?

Well again if adherence to the optimal customer decision process is a 100%, how much of your average proposal is about your company, your solution and the value your customer will receive, if they buy your products and services.

Our experience shows that for most vendors, between 70 and 80% of the average proposal is about them, and only 20 to 30% is about the customer and the questions they really need answered. So the proposal is a reflection of the vendor's world and is actually a proclamation of value that the vendor believes they can deliver, rather than what the customer really wants (presupposing, of course, that the customer really knows what they want).

Not surprising then that the customer perceives this as a value assault. And because they have no real means to assess the true value, and because they have no real involvement in determining the value and no ability to clearly differentiate between competitors, the outcome is as often as not unsatisfactory for both parties. It is the inattention by both parties to the fundamentals of a quality customer decision process that leads to what we call "the value gap".

Cost of the Problem

The value gap is a very expensive place to be. According to Gartner customers can waste at least 25% of all change costs and our experience suggests that up to 60% of total benefits can be lost through incorrect sequencing of projects. In combination, this amounts to a very significant amount of money, but the negative impacts on growth and competitiveness are even greater.

For the vendor the value gap is no less painful. Recognising that every organi-

Skills for 'Value Selling'

Our experience suggests that customers in general are not good at making complex purchasing decisions - and the clear implication for vendors is that customers are ill equipped to distinguish between different vendor offerings.

If you have a better mousetrap, it's possible that your customers may never understand the value of it unless you take positive action to make sure they do.

The sales techniques and processes that you use need to guide your potential customers through all of the key steps needed to uncover the value of your products and services so that they can be both comfortable with the result and provide sufficient evidence to convince other, more sceptical, colleagues.

Achieving all of that takes real skill and discipline - much of which is actually counter-intuitive:

"The actions that organizations must take to nurture the new era sales culture and create the appropriate competencies are not easy to do. In fact, it can be counter-intuitive for sales people"

Rick Justice - Senior Vice President

World Wide Field Operations Cisco Systems

Our Skill service takes head on the counter-intuitive nature of selling using Value and quickly brings your sales team to the point where they are selling larger and longer term deals. Our Opportunity Support Desk helps each sales person to assess new opportunities, ascertain the likely value for both parties and then make and sustain a meeting with appropriate 'C' level executives.



sation is different, here's a snapshot of the potential cost of the value gap from three of our clients:

In the first case, 150 sales execs each losing two deals per year at a sales cost of \$10,000 a deal, adds up to a nugatory cost of \$3m per annum.

In the second case, heavy discounting in a highly competitive market meant annual revenue forgone of \$340m.

And in the third case, a failure to gain the planned market share of 3% in a bull market cost \$15m of profit.

As I said, every company is different but when you do the math some might be surprised by the impact on profitability, growth and share price.

Symptoms and Causes

The symptoms themselves and their costs are easy to spot and calculate. Everyone suffers from the sales forecast. The question is, can it become predictable through an improved closure rate?

We very often see single products being sold when an opportunity exists to sell the whole suite across the enterprise. Quite often we will see a customer come out for an enterprise-wide solution, only to end up doing nothing because the confidence to invest was not created - or worse they failed to understand the value of the solution and simply bought on price.

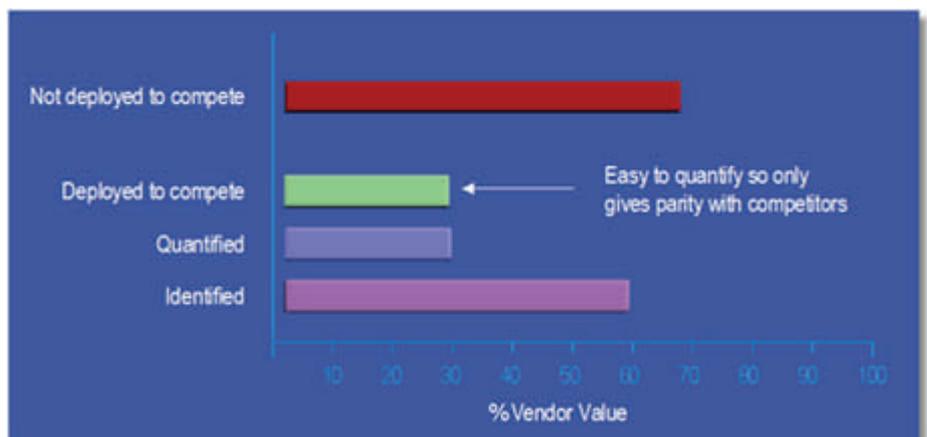
Ever lost an order to a competitor that you know has inferior products or services? Some vendors will buy the business through untenable discounting, which can also have the effect of causing you to discount.

Do you ever feel there's far more customer value in your products and services than you can quantify - or communicate convincingly to your potential customers?

We come across many vendors who recognise these symptoms and have put improvement programmes in place but then rather frustratingly, they seem not to be getting the results that they expected at the pace they expected to get them.

"We want to see the good and the bad but suppliers only present the good. We know they know what can go wrong but we never hear about that"

Harris Methodist
Hospital Network



Causes - Three Hurdles

Okay, you have some symptoms. Let's try for a diagnosis. What could be some of the underlying causes? There are three basic hurdles to be overcome;

- unidentified value
- tools
- process and skills.

Unidentified Value

First we should explain just how much customer value is routinely concealed from view, why this happens and why it is important to uncover it.

As a general rule, we find that most vendors have identified about 60% of their potential customer value - but can quantify only about 50% of what can be identified.

This means they can only compete with about 30% of their potential capability. And the trouble is that the 30% they can identify is the easier part - so easy, that their competitors have also figured it out - so everyone's back to parity - no advantage - no differentiation and potentially 70% of their capability still not deployed.

So - unlocking that potential 70% of value is absolutely key to differentiating your company because it will help to remove any customer uncertainty about the value of your products and services and will create in the customer a confidence to invest.

In fact, so important is this issue, its worth spending just a little more time to understand it better.

Each product or service will have its own intrinsic value - it'll be cheaper or run cheaper - it'll have some obvious attributes. But those attributes - its value - are confined to the product itself. If we place the product inside a process then the scope for value generation is widened - we can now make the process more effective and start to impact our customer's output. But if

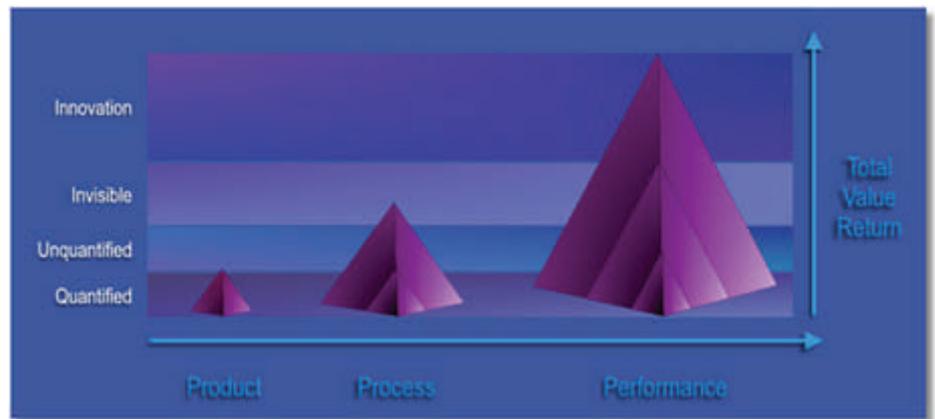
we then start to think about the performance effects of the process - both upstream and downstream - we start to influence the customer's enterprise - and more importantly - the customer's customers - the source of all true value.

Types of Value

We see four quite distinct strands of value:

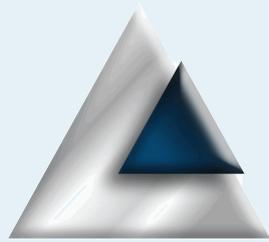
- Quantified value - the bit that everyone gets - so no real advantage
- Un-quantified value - that's the bit that everyone knows is there but can't quantify
- Invisible Value - you don't know its there. Your customers might know but they're keeping quiet in case you put up your prices - or more likely - they don't know either;
- value that springs from innovation

I'll need an example to illustrate:



One of our clients found that the resin they make for particle and other boards was under fierce pricing pressures.

By talking to their customers and their customer's customers, we discovered two end user problems to do with mold and the need for waterproofing. A simple and cheap change to the resin chemistry enabled our client's customer to create two new products - a mold free board for use in kitchens and bathrooms and a waterproof board that reduced waiting time after rain on building sites.



Lucidus

This meant that our client's customer could charge more for their board and would therefore accept a higher cost for the resin that made it possible. Sales of the new products were high so our client achieved a higher price for its product plus a significant increase in volume - both of which are good for profit growth and share price.

So - the key point here is that unless you can unlock that 70% of potential customer value, you will not differentiate yourself - and no amount of 'sales training' or tinkering with sales processes will make any real difference.

How do you identify 'Value'

You have probably undertaken some work to identify value in your products and services; you must have in order to produce your sales and marketing materials. This is an important and necessary step, but will probably have been focussed largely on what you can provide rather than what your customer needs.

To benefit from your work, you must build on the work you have already undertaken to determine customer value and to clarify what we call your total Value Capability - that is to say the full breadth and depth of the value that your products and services can potentially deliver to any customer.

By looking upstream and downstream of the points at which your products and services have their direct impact, you can confirm your analysis of the quantified and un-quantified value and add the invisible and innovation value. It is important to then 'stress test' claims for value generation to avoid including unfounded claims that the customer will quickly uncover.

What emerges is a set of 'value drivers' that clearly describe, in the terminology of the customer, all of the ways in which your products and services could potentially deliver value to any given customer.

Once you are clear about your Value Capability, you are in a position to produce a simple 'checklist' to help establish what the customer's actual requirements might be but expressed in Value terms. This helps with qualifying a potential customer and provides a strong base for a conversation based on Value rather than feature/function or price.

Tools

So given that unidentified value can be unlocked, the right tools become fundamental to the effective deployment of that newfound value. The wrong tools will continue to have a negative effect, as we will see later - hence tools being the second of our three hurdles.

So what might the fundamental attributes of the right tools look like?

Well the customer must be able to change data and assumptions to simu-

Identifying Value

"I know we have a lot more value than this but we just can't seem to get at it"

This is a view we hear expressed quite a lot. And it's not really surprising because many aspects of 'value' and its identification are counter-intuitive.

We find that many vendors are able to identify no more than about 60% of their potential customer value. This leaves up to 40% that they may 'sense' is there but have no way of uncovering. The challenge of measuring is also significant (see the Measure service).

Lucidus' Outline service is designed for those who know they have more value and would like to speed up the process of uncovering it.

Our Outline service will help you establish the full outline and characteristics of your customer value.

late the performance of their enterprise and to observe the likely impact of using the vendor's products and services in scenarios of their choosing. And perhaps more importantly be able to test the veracity of the results by being able to understand how the results were actually calculated. By this I mean the logic strings from base customer data to projected value must be physically visible, must be easily understood and therefore easy to challenge and change. The act of changing their data and assumptions is the final act of ownership.

They must also be able to understand the means by which they will be able to track the calculated and agreed value through to actual delivery.

In combination, these attributes will help to create an incentive to invest, the confidence to invest and the confidence to change in order to release the value - because no change, no value.

How are the vendors doing with their current tools?

Well, it's now very clear that the standard TCO or ROI spreadsheet isn't the way to do it, as we will see later, customers are heartily sick of what they perceive to be biased sales tools that they don't understand or trust. But why should this be?

Well, determining value is as complex as determining tomorrow's weather - neither weather nor complex value prediction is done on a spreadsheet. Why? Because of the multitude of variables and their complex interactions and inter-dependencies that must be understood, managed and communicated.

Customers know it's a good deal more complicated than most vendors suggest, but they also know that they struggle to do it successfully themselves, so any vendor that can truly help in an unbiased way is going to be welcome.

Processes and Skills

The final hurdle comes in the form of process and skills.

I've described the traditional approach as the value assault - let me tell you about us, our products and how great they would be for you. It isn't very effective in today's complex marketplace. The customer remains both unconvinced and all alone regarding the many complex issues they have to resolve - and in this context the vendor may well be perceived as self seeking, uncaring or simply opportunistic.

What many customers really want is some form of collaboration between them and the vendor so that they can pool their expertise to achieve a better result for all. The trick for the vendor though is to avoid ending up in the clutches of purchasing and/or providing free consulting.

Unfortunately, customers are much better at ensuring traditionally equipped sales people end up in purchasing than salespeople are at avoiding the traps.

Summary of Causes

So let's draw these causal strands together in a summary and if we think in terms of our optimal decision process we can test the customer and vendor against the three headings of

- Decision (is there a good process),
- Value (can value be properly articulated and understood) and;
- Change (is the customer willing to change and to what extent does the vendor help with these difficult issues).

If we take the customer first, we can say that generally there is not a good decision-making process at work. The customer will find it difficult to measure vendor value, both pre and post sales, and they will find it difficult to change - remembering that no change; no value.

For the vendor, we can say that generally the sales



Lucidus

Lucidus have products and services based around value identification that greatly simplify the process, thereby shortening the time required to identify and exploit your Value Capability. For an overview of what we can do for you, please take a look at our Value Selling page or our Webcasts.

www.lucidus.co.uk

process is vendor focused; there's no mechanism that will engender collaboration so the customer does not own the process. Since most of the value is still to be quantified and there is no compelling means to articulate it, the customer will not own the numbers. And since most vendors avoid the issue of change the customer will not own the vendor proclaimed outcome and will not have sufficient incentives to invest and change.

So what we have here are of two sub-optimal processes that should be integrated but sadly meet at only one single place of mutual understanding - and that place is price.

So that's our view of the underlying causes, lets now have a look at solutions.

Solutions

This section is the final part of our discussion on Value and presents the Lucidus approach to solving the problems associated with teasing out value and presenting it to your customers in a way that they can have confidence in.

Our solution is called The Customer Value Module.

It's been under continuous development for over 10 years and is now operating in most markets sectors and geographies. It comfortably overcomes the three hurdles of unidentified value, tools, and process and skills, and guides both parties through a quality decision process. It gives control to the customer by allowing the customer to calculate, understand and own potential value to come from vendor products and/or services. It then allows the agreed value to be tracked to delivery. So let's take a high level view of the principles that make it work.

Overview

The Customer Value Module enables the vendor to provide the customer with an optimal decision-making process. There are two major components - the Customer Value Module process and associated techniques that deal with the hurdles of process and skills and the value assurance simulator and tracker that deals with the hurdle of tools.

Having been equipped to use the diagnostic selling techniques, sales teams deploy the Customer Value Module processes and, working closely with the customer, jointly ascertain the customer's Value Requirement that is electronically loaded into the value assurance simulator.

The simulator then performs a comparison of the customer's Value Requirement against the actual Value Capability of the vendor. This gives an initial result that the customer can then manipulate and test to produce their own results. There are just four simple steps in the whole process: Discover, Diagnose, Design and Deliver.

Discover

The Discover stage has the sales team undertaking guided research prior to contacting the prospective customer. All of the available information is loaded into the simulator and provisional results are obtained. This gives an early view of the likely chances of closing a deal and allows prioritisation of prospects.

Given that sufficient value appears to be available it also provides what we call a Value Assumption. The value assumption is a key weapon in gaining access to the right levels and allows sales teams to avoid a value assault by simply suggesting to the prospect that "x" amount of value might be available to them - and 'would they like to jointly investigate the possibilities'.

So the purpose of the Discover stage is to gain access to the right levels and gain permission to move on to the next stage, which is Diagnose.

Diagnose

Through a series of carefully structured diagnostic conversations the Diagnose stage brings the customer's value requirement into sharp focus and helps the customer to ensure that no value has been missed and the estimates of value are correct.

Design

Having clarified the customer's value requirement, a combination of additional diagnostic conversations, and What-if calculations via the simulator, allow the vendor and customer to come up with a design that maximises the vendor's value capability and delivers the maximum value to the customer.

From the vendor's perspective, this approach has the advantage of ensuring that all possible elements of the vendor's portfolio of products and services are played against the customer's value requirement.

Deliver

Once the design is agreed Delivery can begin and the simulator becomes a device for pre-emptively tracking the agreed value to the customer's bottom line.

The ability to track pre-emptively means that value at risk can be spotted well in advance and corrective action taken. This is a key element in the sales process

since it builds trust

and the confidence to invest in change. It all adds up to a unified customer-centred buying and selling process.

Summary

The level of sales team support available from the Customer Value Module processes and simulator makes the Customer Value Module very easy to use in the field. Just four steps: use the techniques and tools to target and gain access at the right level and place the relationship on the right footing right from the outset. Then run the diagnose phase and help the customer to refine and confirm its own Value Assumption and Value Requirement; continue working with them through diagnostic conversations and What-if analyses to come up with the optimal approach that maximises the customer's value and the vendor's span of products and services; and then start Delivery and value tracking.

It all adds up to a guided selling and buying process that guides both parties to adopt the right behaviours and arrive at a mutually beneficial result.

Obviously, you don't need to take our word for it. You can always take a look at the feedback we have received from our customers.

Feedback

As part of the process for implementing The Customer Value Module, one of our clients (a large U.S. multinational in the Medical Equipment sector) recently visited five prospective customers to test their reactions to it. Prior to sharing the Customer Value Module approach they were each asked for their views on traditional sales approaches. The Customer Value Module approach was then deployed and they were asked for their thoughts on it.

What follows is the verbatim reaction of those clients.

We have included them, not merely because they speak favourably of The Customer Value Module, but because their observations shine a useful light on what senior executives actually think about the process of complex acquisitions and also they seem to support



“We created the mother of all spreadsheets and then called the customer an idiot for not understanding the value we were delivering. Needless to say, we didn’t win the recompete.”

Head of Business
Development -
Aerospace

the accuracy of our analysis of the problem.

Feedback - Baylor

Here's the reaction of the Baylor hospital network. Their view of traditional approaches is very clear; the approaches exclude the customer's perspective and view of true financial and performance impacts and leaves them very sceptical.

Here's what they actually have to say.

"Almost every approach we see from the capital solution suppliers is from their perspective and the result is always the same - buy our solution".

"Their models rarely translated into an accurate reimbursement scenario.

" We are generally very sceptical of their models".

The view of the Customer Value Module on the other hand was very positive and here's what they had to say about that:

"Phenomenal".

"Does a great job of looking at derivated impacts, upstream and downstream, into both costs and revenues generated by the solution."

"We'd love to look at this approach on all major investments."

"We will endorse all relevant functions within the hospital to support this exercise."

"I'd like to use this model to look at our entire network of labs."

There are perhaps four quite striking things that emerge from this reaction:

- the notion of understanding the vendor's impact both upstream and downstream seems to be well received and is helping to build trust and confidence
- the rise in trust and confidence has allowed access to the wider organisation and will facilitate the gathering of key information
- the Customer Value Module is offering insights into the general problem of value assessment in this organization and how it might be solved; and
- Finally, and perhaps most significant of all, the potential deal just got bigger because our client was pitching for one hospital and the prospective client immediately expanded it to all six of its hospitals.

Feedback - UT South Western Hospitals

The reaction of UT South Western Hospitals is similar. The view of traditional approaches is sceptical and again points up the bias and inadequacies in the traditional approach.

Here's what they had to say:

"Most suppliers' economic models are selling models, not a true economic value model."

"We are always sceptical of their models and frankly we don't trust them."

The view of the Customer Value Module is a little more positive and again we see a defensive barrier coming down as confidence in the approach rises with an offer to support the vendor in discussions with senior management.

Again here's what they have to say:

"Totally unique approach."

"I will support your evaluation effort with senior management."

"The Customer Value Module here is completely collaborative and what a true partnership should look like. It's lip service with most suppliers."

Feedback - Harris

Again we see the scepticism coming through very strongly from the Harris Methodist Hospital Network. Some good insight here into what senior executives actually want.

Here's what they have to say about the traditional vendor approaches:

"More than 95% of supplier models are counterproductive, we have to deconstruct them."

"We always find assumptions that are always favourable to their outcome."

"They have a narrow view of the solution which does not consider upstream, downstream and lateral constraints."

"No supplier ever comes back to measure actual results verses pro forma."

"There's a real disconnect between what is promised and what we get."

"Frankly we are tired of the gimmicks and the games."

"We want to see the good and the bad but suppliers only present the good. We know they know what can go wrong but we never hear about that"

And from the Customer Value Module point of view it's well received. Here's what they had to say:

"Totally different approach. We like this very much."

"Generic facility pre-populated option is extremely helpful."

"I wish all our suppliers took this approach"

So what they like is the generic pre-populated simulator. It's seen to be very helpful because it deals with the complexity and demands only a small amount of information before yielding useful results.

Feedback - Navigent

From the Navigent Medical History Practice, again we see strong scepticism for the traditional approach.

"Most suppliers' models are pretty worthless."

"Their models are all heavily biased no matter how they try to camouflage that fact."

But again the Customer Value Module is well received.

Here's what they had to say:

"Great approach, we could use this".

"The transparent decision logic available for every value calculation is extremely helpful. and while clients won't look at each one of several hundred, knowing that they can at any time will build a total credibility"

"Each value driver is defined in the client's terminology and not the seller's. Very unique."

So the Customer Value Module process is helping them to better understand their environment and the simulator uses their language, not the vendor's. And the comprehensive nature of the simulator gives them confidence that the results produced might actually be worth something.



Feedback - Methodist Hospitals

And finally, Methodist Hospitals, who have clearly suffered at the hands of traditional sales methods. Here's what they had to say about them:

"We don't believe supplier models in general, we know the results are biased."

"We always build our own models and although they may not be as comprehensive as we would like, at least we believe the answers we get"

The Customer Value Module does not overcome the scepticism but they do see greater utility. The Customer Value Module results would provide an additional useful data point and the ability to track value is very useful.

Here's what they have to say:

"Very unique and comprehensive approach."

"We probably will still build our own model but we would use and believe this model as another valid data point."

"Adding in the actual value delivered is outstanding."

So that brings us to the end of the feedback from the market and indeed brings us to the end of this series of articles. If you have found them useful and want to know more, then please feel free to look around the web site or to get in touch with us.

Thank you for your time.

Some Lucidus Clients

Boston Scientific
Pillar Data
BP Chemicals
British Airways
Ministry of Defence
H.M.Revenue & Customs
Manchester United
IBM
EDS
Hewlet Packard
Fujitsu
Kodak
Rogers Communications
Balfour Beatty
Warner Brothers
The Met Office
Pilkington Glass
Lend Lease
Invensys

Robert White – CEO Lucidus Ltd

Robert has 35 years of business experience and founded Lucidus in 1989. His experience includes the creation of a new outsourcing business for one of the global consultancy firms and he was the architect of the first Inland Revenue outsourcing deal valued at £1.7bn. With his business partner Howard Hughes, he has developed leading edge thinking and practical solutions to all of the issues associated with value and how to capture it.

The Lucidus approach to value based selling is deployed across a number of different sectors worldwide and the Lucidus pre-emptive value tracking techniques are currently deployed by the UKs Ministry of Defence to track the value from its top 50 change programmes just one of which is a £4.6bn 10 year programme of IT renewal.



Robert White—CEO Lucidus Ltd

About Lucidus

Lucidus is a privately owned, independent Management Consultancy that was founded in 1989. It provides impartial and objective advice to Government, Agencies and the Executive Boards of private sector companies that recognise the need for robust value management strategies in support of investment in major change programmes.

Lucidus founder, Robert White (CEO), an authority on the emerging subject of Value Lifecycle Management as a critical management discipline, has provided leading edge strategies and advice to some of the world's most successful private enterprises, public sector organisations, and high-value sales and consulting organisations.

As a value practitioner over the last two decades, Robert has made a significant contribution to the de-risking of a large number of high profile change programmes. In 1996, Gower published his book, *The Outsourcing Manual*, the first comprehensive guide for any organisation considering taking this route, which Robert wrote based on many years experience of selling and delivering Outsourcing agreements, including the Inland Revenue, arguably the first and most successful Public Private Partnership let by the UK Government after the announcement of the Private Finance Initiative by the Conservative Government in 1992.

Co-founder, Howard Hughes, is a leader in the science of 'value assessment and measurement' and the visionary architect of a revolutionary benefits assessment, modelling and predictive tracking tool (Integrated Performance Measures - IPM) which he has been developing and refining since 1995. IPM enables and delivers the value management strategies and crucially, deals with the complexity that is inherent in multiple high-value change programmes. This tool and its associated techniques have reached a level of capability and maturity that remain unique and unsurpassed some 10 years later.

In combination, they provide a coherent end-to-end Benefits Lifecycle Management process that is seen as the holy grail of benefits centred programme governance, with emphasis on achieving planned outcomes and a clear understanding of affordability versus capability. IPM has been referred to by academics as a 'thinking technology' based on its exceptional capability as a visualisation aid, enabling stakeholders, technologists and the recipients of the investment to understand how value is derived, measured and what is required of them to assure its delivery.

Lucidus' clients receive this expertise in the form of executive level management consulting that focuses on diagnosis, strategy development, thought leadership and management training, followed by delivery of a customised and appropriate end-to-end Value Lifecycle Management process, enabled by IPM. This is licensed for the lifecycle of the investment programme, and is supported by regular audit of the VLM process.

Lucidus Ltd

Lucidus is a privately owned, independent Management Consultancy that was founded in 1989. It provides impartial and objective advice to Government Departments, Agencies and the Executive Boards of private sector companies that recognize the need for robust value management strategies in support of investment in major change and sales programmes.

Contacting Lucidus

Lucidus are always pleased to hear from our existing and potential partners. If you would like to discuss your particular requirements, you can contact us via one of the following methods:

Email	robertwhite@lucidus.co.uk
Telephone	(+44) (0) 1608 678134
Fax	(+44) (0) 1608 677486
Post	Barnbrook House, Lower Mill, Cleveley, Oxon, OX7 4DY, United Kingdom
Web	http://www.lucidus.co.uk



Lucidus

Helping with the tougher things