

## UNIT F9 BUILD YOUR ORGANISATION'S UNDERSTANDING OF ITS MARKET AND CUSTOMERS

### UNIT SUMMARY

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#### What is the unit about?

This unit is about making sure that relevant and reliable information about the organisation's market and customers is constantly available and shared.

The term 'customer' includes internal and external customers of the organisation or part of the organisation that the manager is responsible for.

#### Who is the unit for?

The unit is recommended for middle managers and senior managers.

#### Links with other units

This unit is linked to **units F4. Develop and review a framework for marketing and F10. Develop a customer focussed organisation** in the overall suite of National Occupational Standards for management and leadership.

If your organisation is a small firm, you should look at unit *B1 Improve your sales and marketing* which has been developed by the Small Firms Enterprise and Development Initiative (SFEDI) specifically for small firms and which may be more suitable to your needs. You can obtain information on the unit from SFEDI on tel. 0114 241 2155 or at the SFEDI website ([www.sfedi.co.uk](http://www.sfedi.co.uk)).

#### Skills

Listed below are the main generic 'skills' which need to be applied in building your organisation's understanding of its market and customers. These skills are explicit/implicit in the detailed content of the unit and are listed here as additional information.

- Information management
- Communicating
- Analysing
- Assessing
- Thinking strategically
- Forecasting
- Innovating
- Networking
- Presenting information
- Decision-making
- Thinking with a focus on customers

## **UNIT F9      BUILD YOUR ORGANISATION'S UNDERSTANDING OF ITS MARKET AND CUSTOMERS**

### **Outcomes of effective performance**

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You must be able to do the following:

- 1 Identify your customers' current and future needs and expectations and predicted future demand levels.
- 2 Identify the market for your products and/or services and any market segments.
- 3 Identify and assess current and future developments in your sector, including competitors' activities.
- 4 Identify and assess opportunities to expand into new markets and for innovations that meet customers' needs.
- 5 Identify the reasons why customers use products and/or services from your organisation rather than from your competitors.
- 6 Identify and assess any threats to, and weaknesses in, your organisation's products and services.
- 7 Make sure there is a shared understanding of your customers and your competitive position in the market across your organisation.
- 8 Use information about customers and the market to help managers make decisions.

## **UNIT F9      BUILD YOUR ORGANISATION'S UNDERSTANDING OF ITS MARKET AND CUSTOMERS**

### **Behaviours which underpin effective performance**

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- a    You analyse and structure information to develop knowledge that can be shared.
- b    You develop systems to gather and manage information and knowledge effectively, efficiently and ethically.
- c    You recognise your own strengths and limitations, play to your strengths and use alternative strategies to minimise the impact of your limitations.
- d    You anticipate likely future scenarios based on a realistic analysis of trends and developments.
- e    You identify the implications or consequences of a situation.
- f    You articulate the assumptions made and risks involved in understanding a situation.

## **UNIT F9      BUILD YOUR ORGANISATION'S UNDERSTANDING OF ITS MARKET AND CUSTOMERS**

### **Knowledge and understanding**

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You need to know and understand the following:

### **General knowledge and understanding**

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- 1      Where you can get information about your customers and the market and the advantages and disadvantages of different sources.
- 2      How you can get information on competitors or similar organisations.
- 3      How to assess sources of information about your customers and the market to see how suitable they are to use.
- 4      Sources of professional market-research expertise.
- 5      Methods of gaining customer feedback, and the costs and benefits associated with them.
- 6      How to analyse, measure and assess data and turn it into information that is suitable for business purposes.
- 7      Awareness of how information software products can help you collect and analyse information.
- 8      The legislative and ethical restrictions relating to the collecting, storing and sharing information.
- 9      The importance of checking users' understanding of the process for collecting information and their role supporting it.
- 10     The principles of cost-benefit analysis.
- 11     The principle that customers buy products and/or services for the benefits they give them.
- 12     The principle of trying to secure competitive advantage so that more customers will prefer the products and/or services of your organisation.
- 13     Principles of market segmentation and why this is important.

### **Industry/sector specific knowledge and understanding**

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- 14     The sector and market in which your organisation works.
- 15     Legal and regulatory restrictions that may affect your products and/or services (or both).
- 16     Sources of specific information about the market and about the customers.

## **UNIT F9      BUILD YOUR ORGANISATION'S UNDERSTANDING OF ITS MARKET AND CUSTOMERS**

### **Context specific knowledge and understanding**

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- 17 Your organisation's products, services, technologies and processes.
- 18 Opportunities for collecting existing and new information about the market and customers.
- 19 The information about markets and customers that is available within your organisation, and the systems that are used for collecting and storing the information.

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### Evidence requirements

Outcomes	Evidence of Outcomes: • possible examples of evidence	Behaviours	Knowledge and Understanding		
			General	Industry specific	Context specific
	<b>Qualitative and quantitative analyses that you have prepared of the current market, customer behaviour and likely future demand:</b>				
O1	<ul style="list-style-type: none"> <li>reports you have written of quantitative and/or qualitative market research, secondary research that you have conducted and/or summaries of commissioned research by others, and market segmentation analyses of customers and sales data that you have prepared</li> </ul>	a, b, e, f	1, 3, 4, 5, 6, 7, 8, 9, 11, 13	1, 2, 3	1, 2, 3
O2	<ul style="list-style-type: none"> <li>time series and regression analyses of quantitative data and analyses of data on customer churn and loyalty/repurchase rates</li> </ul>	a, b, e, f	1, 3, 6, 7	1, 3	1, 2, 3
O3	<ul style="list-style-type: none"> <li>summaries or reports you have written of feedback from, and discussions with, sales personnel, customer service staff and other colleagues</li> </ul>	a, b, e, f	1, 3, 5, 6, 7, 8, 9	1, 2, 3	1, 2, 3
O5	<ul style="list-style-type: none"> <li>research and reports you have written on competitor activity</li> </ul>	a, b, e, f	2, 3, 12	1, 2, 3	2, 3
O7	<ul style="list-style-type: none"> <li>memos, emails, newsletters, intranet pages, and presentations to colleagues in which you identify the organisation's current market performance and patterns in customer behaviour</li> </ul>	a, e, f	1, 2, 3	1, 2, 3	1, 2, 3
O8					
	<b>Proposals for new product or market development you have made, based on your analysis of the market, competitor strengths and positioning, and your organisation's competencies:</b>				
O1	<ul style="list-style-type: none"> <li>reports you have written of market and competitor research that you have conducted and/or summaries of commissioned or publicly-available (secondary) research by others</li> </ul>	a, d, e, f	1, 2, 3, 4, 6, 13	1, 3	1, 2, 3
O3	<ul style="list-style-type: none"> <li>records of product and market development meetings with colleagues and consultants</li> </ul>	a, d, e, f	11, 12	1	1, 3
O4	<ul style="list-style-type: none"> <li>SWOT, PESTLE, BCG Matrix, Anzoff Matrix and core competence analyses, 'what if' and other future scenario analyses, etc</li> </ul>	a, d, e, f	1, 2, 3, 5, 11, 12	1, 2, 3	1, 3
O6	<ul style="list-style-type: none"> <li>memos, emails, newsletters and intranet pages, and presentations to colleagues in which you identify opportunities for new products or markets</li> </ul>	e, f	1, 2, 3, 10	1	1, 3
O8	<ul style="list-style-type: none"> <li>personal statement (reflections on your role and performance in analysing the organisation's market and customers)</li> </ul>	a, c, d, e	1, 2, 3, 5, 11, 12	1	1, 2, 3