



**Module 3, Section 1:
Identify your Primary
Customer's Primary
Need**

Module 3 Introduction

Identifying your primary customer marks the first step in aligning an organization with its core purpose. However, it is only part of the equation. The next crucial question to ask is, "What is your primary customer's primary need?" Accurately identifying and prioritizing this need is vital—it serves as the North Star, providing an objective reference point to distinguish between real improvements versus changes. It also acts as a filter, helping leadership focus finite time, resources, and energy on what is important, rather than what is simply nice to have.

While this might seem straightforward, pinpointing "the thing" the organization must deliver can be challenging, especially amid a sea of competing demands from stakeholders, internal teams, and a plethora of ideas about what the customer needs. Achieving clarity ensures that both the organization and its leaders focus their efforts on areas with the greatest impact—maximizing customer value and optimizing resources.

When we combine the answer to the first question, "Who is your primary customer?" with the second question, "What is your primary customer's primary need?", we lay the groundwork for setting the right goal, ambitious targets, and setting ourselves up for success in strategy and where the money is spent, in operations. Don't take this for granted—it's foundational for high impact.

In this module, we'll explore how to determine your primary customer's primary need, covering the following sections:

- Identify Your Primary Customer's Primary Need
- Translate That Need Into a Goal Statement
- Create an Ambitious Target
- Ensure the Time, Resources, and Energy of Your Organization are Focused on the Primary Customer and Their Primary Need

What to Stop

Traps in Identifying Customer Needs

1. All Needs Equal Trap

Description: Organizations often fail to distinguish between core needs and secondary priorities, treating all needs as equally important. Consequently, the organization's time and resources are diluted and fail to make a significant impact for the customer and the taxpayer.

Example: An organization invests tens of millions of dollars to create a single sign-on system for customers, which simplifies logging in across multiple services. The intent is to enhance convenience, but the back-end processes, such as issuing permits or decisions, still take months. This results in customers being able to gain easier access to a system that still fails to meet their primary needs, leaving the most critical problems unaddressed.

2. Simultaneous Action Over Sequence Trap

Description: This trap happens when organizations pursue too many initiatives simultaneously, ignoring their relative importance. Leaders spread resources too thin, causing delays and overlooking the limits of time and capacity. Without proper sequencing, efforts tackle problems out of order, diminishing impact and efficiency. Addressing foundational needs first is essential to enable more effective and advanced solutions.

Example: A city government launches a high-profile “smart city” initiative, investing in IOT sensors and advanced analytics to optimize traffic flow. However, it neglects foundational commuter concerns like outdated traffic lights, poor road maintenance, and unclear signage. Addressing these

basics first could have resolved key issues faster and more effectively, while also focusing the use of advanced technologies. By sequencing initiatives properly, the city would have achieved the greatest immediate impact on commuters' primary needs.

3. Opportunity Cost Oversight Trap



Description: Organizations often focus so intently on what they are doing that they fail to identify what they are not doing. These overlooked opportunities often represent critical gaps with the potential for greater impact. To avoid this trap, leaders must intentionally acknowledge and evaluate what is not being addressed due to current efforts.

Example: A human services program invests heavily in a provider request system to improve interactions with service providers. However, it overlooks major barriers—like policy or resource gaps—that prevent customers from accessing services on time. Meeting this core obligation is the program's primary responsibility. Without a mechanism to identify and address these key deficiencies, secondary efforts like provider portals fail to deliver meaningful results for customers.

4. Our Problem Is Our Customer's Problem Trap



Description: This trap builds on the concept from the prior module about identifying your preferred customer. It occurs when organizations conflate internal teams' needs with the actual needs of their primary customer. While internal improvements may streamline processes or make tasks easier for teams, they do not necessarily solve the most pressing problems for the customer. When organizations understand the primary customer's primary need, it sets the context for how internal teams should best operate to meet those needs.

Example: A team resists duplicating data entry and workarounds between two legacy systems, prompting a costly IT initiative to integrate the systems and eliminate inefficiencies. The team also pushes to preserve their

preferred workflows in the new system. Leaders mistakenly assume that optimizing team workflows will automatically meet customer needs. While internal processes improve, customer priorities like accurate and timely billing remain overlooked. This misallocation of resources not only hardwires subpar processes into the system but also fails to address critical customer needs.

What Good Looks Like

Principles for Identifying Primary Needs

As discussed in the previous section, focusing on our primary customer's primary need isn't always easy—and it's rarely obvious. The challenges and traps we face often cloud our ability to maintain this focus. In this section, we'll explore what good looks like when we align our efforts with clear, intentional principles. At the heart of this is the idea that clarity is key. By applying these principles, we can build systems that are focused, effective, and grounded in the needs of the people we serve.

Principle 1: Fulfill the Whole Need



What good looks like is ensuring that the customer's need is defined completely and accurately. A partial understanding leads to partial solutions. It's like assembling a chair—if you deliver the parts but forget the screws or a leg, the chair won't serve its purpose. A sufficient, complete definition of the need ensures it can be met fully and effectively.

Case Study: A local food assistance program initially defined its mission as “providing meals to low-income families.” This was a partial framing of the need. When reframed as “providing nutritious meals that are accessible and available at predictable times,” the program could align its operations to meet the complete need, ensuring families received consistent, meaningful support.

Principle 2: Get Our OwnHouse in Order First



What good looks like is ensuring the customer's need is defined within the system's stewardship—what it can directly control. It's like setting up a kitchen for a big meal: before worrying about what's out of stock at the store, ensure your own tools, ingredients, and plan are ready. This builds credibility and operational maturity, allowing the system to address external needs from a position of strength.

Case Study: A child support agency initially framed the need as “courts must process cases efficiently.” However, the true need was timely and fair resolution for families. By focusing on preparing accurate case files, prioritizing mediation, and improving their own operations, the agency reduced court dependency and made better use of limited docket time. Once its own processes were improved, it could engage more effectively with the court system to meet broader needs.

Principle 3: Distinguish Between Primary and Secondary Needs



Good systems prioritize primary customer needs first, ensuring they are fully addressed before turning to secondary needs. Primary needs are often harder to solve and take more time, requiring immense discipline to avoid drifting into short-term ‘Band-Aid’ fixes. Once primary needs are met, secondary needs have more context and can be addressed in ways that align with overall goals. It's like packing for a trip: if you focus on extras like souvenirs or snacks before securing your passport and tickets, you risk derailing the entire journey. Taking care of the essentials first ensures success.

Case Study: A public transportation agency faced declining ridership due to unreliable service caused by deferred maintenance. Initially, it focused on secondary efforts, like launching branding campaigns and adopting ticket-scanning technology, which diverted resources and eroded trust. By shifting its focus to repairing infrastructure and improving service reliability, the

agency started to restore ridership, making secondary efforts valuable additions to a stable system.

Principle 4: The Clarity Principle



What good looks like is ensuring that the customer's primary need is so clearly defined that it creates a shared understanding of the problem they are facing. This clarity serves as the foundation for solving everything downstream in strategy and operations. It's like understanding why you're traveling before choosing your destination: knowing the purpose guides every decision and ensures the journey aligns with the ultimate goal.

Case Study: A budget office managing public funds initially framed its efforts in technical terms like "reconciling budget variances." This was unclear to both stakeholders and taxpayers. By reframing its purpose as "ensuring every public dollar is spent responsibly and transparently to achieve maximum value for the community," the office created clarity for both internal teams and the public. This alignment allowed the organization to focus on measurable outcomes, such as improving project completion rates and cost efficiency.

Principle 5: Pinpoint the Person



People have problems—not abstract organizations, industries, or entities. Good systems identify the specific individuals or groups who face the challenges at hand. By pinpointing the person behind the need, organizations can move from broad, vague goals to targeted, actionable strategies. This clarity ensures efforts are directly tied to solving real problems for real people. It's like designing a tool: if you don't know who will use it or what they need it for, you risk creating something ineffective. By understanding the person—whether they need a hammer for building or a scalpel for surgery—you can craft something that actually solves the problem.

Case Study: A state sought to grow its biotech industry, initially framing the need as “strengthening the sector.” However, this broad goal lacked focus and clarity. When the state pinpointed the leaders of biotech firms as the key 'who,' they uncovered a specific problem: unclear liability boundaries made innovation feel high-risk in an uncertain environment. By addressing this challenge through targeted policies and clearer regulatory frameworks, they created a more supportive ecosystem, allowing the industry to grow while directly solving the problem for the people driving it.

Before and After

Examples of Need Statements

Before	After
Fix potholes	Commuters need safe, reliable roadways that minimize disruptions and prioritize critical repairs.
Help courts expedite final decisions to improve permanency placements for kids in foster care.	Families and children need the right services at the right time, in the right amount, and delivered in a way and sequence that helps them consume and use them successfully to facilitate timely permanency placement.
Add more parking spaces near bus stops to encourage ridership.	Public transit riders need reliable, on-time service as a priority to increase usage, with parking improvements addressed as a secondary need.
Recruit and retain top talent to drive economic growth.	Top graduates need job offers with clear career pathways before graduation to foster long-term engagement in the local workforce.

Before	After
Help grow entrepreneurs.	Entrepreneurs need partners to develop viable, large-scale case studies that demonstrate proof-of-concept and validate their ideas for scalability.
Create a new student portal so students can more easily access grants and loans to offset the cost of higher education.	Students need affordable higher education where costs do not exceed a manageable percentage of post-graduation wages, reducing reliance on loans and grants.
Modernize phone systems and technology to provide callback features and make it easier for customers to submit taxes.	Individual taxpayers, especially those filing on their own, need forms that are simple to understand and easy to submit, with a quick and reliable refund when eligible.

Tools and Techniques

Tool 1: Locked in Limbo



Locked in Limbo describes the two forces that keep customers from achieving their goals, 1) the pull of inertia that holds them back and 2) the barriers or limitations that block their path forward. These forces are often hidden and not always explicit, making it critical for organizations to dig deeper into understanding the unseen factors that hinder progress. Too often, systems focus on what customers should or shouldn't do without addressing the deeper question: why can't they do it?

This concept, Locked in Limbo, challenges lazy thinking patterns that assume lack of progress is simply about motivation. It pushes organizations to uncover legitimate limitations such as overwhelming effort required, deeply ingrained habits, or the ways the system itself contributes to inertia and barriers. Locked in Limbo then helps develop solutions that address

these deeper needs.

Case Studies

Inertia: A prison reentry program noticed that many inmates released after serving long sentences returned to their old environments and reoffended within months. One participant, Carl, had access to housing and job training but struggled to leave behind his old social circle and habits. Despite wanting to move forward, the pull of familiar patterns (like associating with former acquaintances involved in illegal activities) kept him locked in place.

By studying Carl's case, the program realized that addressing logistical needs wasn't enough. They needed to focus on breaking the pull of inertia by offering mentorship programs, structured transition plans, and new community connections to help participants establish fresh routines and resist being drawn back into old behaviors.

Limitations and Barriers: A small business owner, Maria, applied for funding to expand her bakery. While her business was thriving, she faced significant barriers in the application process for government grants. The forms were overly complex, requiring extensive financial documentation, and the reporting requirements felt burdensome for a small operation like hers. Despite her motivation to grow, these limitations stalled her progress.

By examining Maria's experience, the grant program realized that the effort required to apply far outweighed the perceived benefit of the grant. By understanding Maria's needs, they simplified the process, flipping that dynamic to ensure the benefit was worth the effort while still maintaining fiduciary oversight.

Key Questions

1. What are the forces pulling your customers back into old habits, environments, or routines, and how can you help them resist that pull?
2. What barriers or limitations in your system make it too difficult for customers to achieve their goals, and how can you reduce or remove them?

3. Are there ways in which your organization unintentionally contributes to inertia or creates barriers for customers?
4. How can you identify and address the hidden needs of your customers that are not immediately obvious?
5. What solutions can you implement to make the effort customers expend more proportional to the benefit they receive?

Tool 2: The Power of One



Rather than trying to solve for large, generalized groups, this tool focuses on designing solutions for one individual. By asking, "What would this one person absolutely need from the system to succeed?" organizations can gain clarity on the most critical needs.

This approach helps identify and prioritize what truly matters, cutting through complexity and vague generalities. In contrast, when we start by trying to discern the needs of broad, undefined groups, we often stay too high-level, missing the actionable insights needed to create real solutions.

Case Study

The Strengthening Working Families Initiative (SWFI) addressed the challenges faced by low-income parents entering workforce training. Instead of designing a generic program, one grantee honed in on the needs of a single mother aiming to enter healthcare. They tailored support by aligning training schedules with her childcare needs, securing subsidies, and addressing transportation barriers.

This individual-focused approach uncovered critical gaps, such as childcare hours that didn't align with hospital shift schedules and inflexible clinical rotations for healthcare training. Through these adjustments, SWFI achieved a 70% training completion rate for healthcare participants, compared to typical rates of 40-50% in other workforce programs. Over 80% of participants secured employment, far exceeding the standard job placement rate of 50-60%.

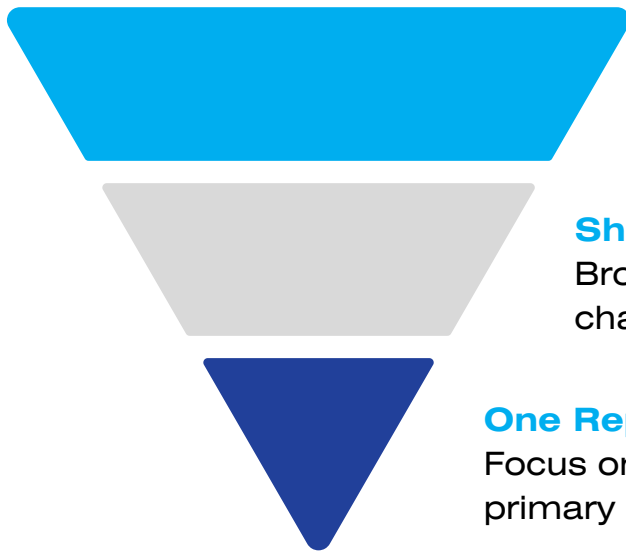
By starting with the needs of one customer, SWFI identified critical needs-like shift-aligned childcare and flexible training schedules-that were later scaled to address similar customer challenges creating lasting improvements across workforce training programs.

You don't have to create a long-term pilot or formal program evaluation to uncover such insights. Simply starting with one customer, carefully considering their primary needs, and identifying what might prevent you from meeting those needs can move you from vague generalities to concrete and actionable needs.

Key Questions

1. What characteristics or circumstances are shared by a substantial portion of your customers, and how can you use those to select a representative individual for a Power of One approach?
2. What would success look like for one individual navigating your system, and what specific barriers might prevent them from achieving it?
3. If you were solving for just one customer, what would be the absolute minimum they needed to succeed?
4. How can focusing on one customer's journey reveal broader gaps or inefficiencies in your system?
5. Once you solve for one customer's needs, how can those lessons be scaled to address similar challenges across your broader customer base?
6. If you were sitting with this individual, representing your customer base, and they could only tell you three things they need your help with, what would those three needs be?

Visual Description



Scalable System Solutions

Scaled solutions address shared challenges across the customer base.

Shared Customer Challenges

Broader insights based on similar challenges shared by the broader group.

One Representative Customer

Focus on one individual and their primary needs