

Client decision-making offer new insights for innovation

Decision-making is both art and science. Since all decisions are made for the future and most intentions for growth will be realised by a client at some point in the value chain, a deep appreciation of how the clients make decisions may offer new insights for innovation.

Portfolio managers and investment entrepreneurs are known for their ability to design new products and services to meet client demand. But today the interpretation of those demands is more complex than simply responding to a client request.

With organisational structures becoming ever more complex, even what is meant by “client” needs to be revisited if we aspire to the wide-scale adoption of innovative ideas and designs.

To maximise client understanding and capitalise on innovation opportunities, investment entrepreneurs and intrapreneurs may consider four distinct “clients” for every intended transaction, based on the multiple client vantage points.

The first and most obvious client is the buyer. This is the party who fulfils



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the transaction of requesting and ensuring that goods or services are transferred. It is often the party who decides which product to procure from which provider.

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A second client is the payer. This is the party responsible for disbursing the fee to the provider. Of course, payment may be made in various ways, and because of this, as will be seen below, all four clients are payers. That is because payment is done not only in financial terms but also in the form of time and anxiety, the latter exacerbated by an era of increasing uncertainty.

A more complete understanding of the “client” is achieved by considering the user. This is the entity that will control the deployment of the product or service to fulfil a practical or emotional need. It is the experience of the user that innovators study with methods like immersion, in other words, they

immerse themselves into the reality of the user to understand the real need and to sense further opportunities for yet further innovation.

The final critical client is the eventual beneficiary. The beneficiary is the party that enjoys the real benefit of the innovation and its full applicability.

The true complexity becomes exponential with the realisation that multiple parties play multiple roles. Consider, for example, the multiple buyers in a complex value chain at various phases of that chain.

In a certain sense, all decisions for growth are meta-decisions. They are made based on the most likely decisions of others.

As investment entrepreneurs consider alternative product and service designs, the fact that they are correct and clever seems a necessary but certainly not sufficient condition.

Multiple clients converge at every transaction, and this presents exciting opportunities for enhanced client insight as foundation for enhanced decision-making and innovation.

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