

Being Customer Centric

Ask many organisations what they think being Customer Centric means and more often than not, they describe a myriad of customer service initiatives introduced to demonstrate more care and commitment to their customers.

Initiatives such as extended help desk hours, promotional mail shots and dedicated complaints departments are common but although a useful starting point, they do not make the organisation customer centric!

Transforming the organisational culture around the needs of customers requires a real shift in thinking to create products and services that follow the customer's lead. This shift means changing the core operating model and supporting culture.

Becoming More Customer Centric goes beyond the tactical and you know you've achieved it when you have these things in place:

- Excellent customer service that really listens to customers
- A vision and you are resolute to it
- All disciplines and functional areas are engaged in it
- You maintain a dialogue with customers to ensure you are still thinking like them
- Are loyal to your existing customers
- You link consumption of services to costs
- You have created a contract based on mutual value and respect

Implications for Organisational Development

Your assault on changing the culture is going nowhere if you don't have senior team involvement – your leadership group must be involved. Further, implicit on their leadership and engagement, everyone in the company must know where they are going which usually means better internal communication.

Knowing that at any one time you are going to have a substantial number of staff who simply "don't get it" you may have to be prepared to shed the laggards or people who aren't on board and then look at your HR systems to ensure that you recruit the best people, often based on their attitudes – and pay them well. Maintaining the culture means understanding the climate over time and so measuring attitudes and identify the right behaviours through internal staff

attitude surveys and customer feedback mechanisms ensures you are still on course.

Recruit on Attitude Then Train

That was the advice of our friend Bernard Murphy who is General Manager for the Gleneagles Hotel – and they know about service excellence and creating a customer experience. If you have the right “blueprint” in the individual – i.e. they are attuned and really understand customers, then you can identify and train the right behaviours. Ensuring that these are consistently applied is a matter of gearing your rewards, incentives and recognition schemes towards the right behaviours and maintaining motivation to ensure that other staff are motivated to go the extra mile

Business Rules That Make Customer Sense

All customers should feel valued and respected but your most valuable ones should feel special and important. That is why it is important to ensure the rules you create for customer treatment and loyalty schemes are carefully thought through. You can quickly do damage when you don't get the right balance of flexibility to deal with different scenarios for your regular and high value customers.

Where you have a loyalty scheme the rewards should provide real, desirable benefits from the point of view of customers and be of appropriately high quality and relevance. Like all relationships, loyalty schemes benefit from being refreshed to maintain interest and momentum behind the objectives (which are usually to retain, recommend, up-sell and cross-sell). This means monitoring the scheme to ensure that rewards benefit the many and not just the few. Most importantly the customer must perceive membership of the scheme as a privilege and something of value.

You can really only know that you are meeting customer needs on an ongoing basis if you keep some kind of regular dialogue going with them.

What's The Business Case for Customer Centricity?

There are three ways to look at this. First you can calculate the negative costs of poor service or getting it wrong – how much does it cost you to deal with complaints, for example compensation payments, re-work etc.?

What is your defection rate? This is an indirect way of counting the cost of poor service, misaligned value proposition or other business challenges that you may not even recognise if your MI doesn't tell you.

Then there are the “uneconomic” customers (e.g. high touch/low purchase) – the chances are you may not even have worked out who these are.

If you have the means in place to carefully measure your performance in service, sales, marketing effectiveness and customer service then you can quickly build a convincing argument for getting the culture right in your

organisation. If you can establish your priorities for improvement you will quickly ensure that you achieve a much better return on investment from your service initiatives than before by focusing staff and resources on improving the priorities your customers identify rather than the often more negative issues that staff assume should be tackled first.

Summary

In order to go the extra mile that keeps your customers happy, the correct competencies and behaviours have to be in place at each level in the organisation. While most companies with robust HR frameworks will have identified customer competencies, behaviours and performance indicators, most that we work with have not really specified those that will sustain customer focus.

The solution has to be sustainable. By developing your HR framework you can ensure the customer is ingrained in the culture and fixing customer processes and applying the correct measurement you have the means to manage staff to ensure that the right skills, roles, attitudes and behaviours are in place for the future.

ICD Partnership Ltd will be running a series of Customer Experience Design Masterclasses in May and June 2009 for organisations serious about improving their customer culture.

For further information call 07973 329669 or email info@icd-partnership.co.uk