



5 Old Coach Road  
Hudson, NH 03051  
603-491-7948  
[www.CustomerCentricity.biz](http://www.CustomerCentricity.biz)

## **Becoming Customer Centric: Finding the Voice of the Customer**

*By Craig Bailey, President  
Kurt Jensen, Principal*

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## Overview

It is the aspiration of many companies to become customer centric. In this whitepaper, we will share learning and approaches that will help you in your quest to transform your company into a customer centric organization. To be clear, this is a journey and not a destination.

In this whitepaper, we offer a definition of what being customer centric is and how to find the Voice of the Customer, offering practical advice that you can put into place immediately so that you can start your journey.

## **Becoming Customer Centric**

It is the aspiration of many companies to become customer centric. In this whitepaper, we will share learning and approaches that will help you in your quest to transform your company into a customer centric organization. To be clear, this is a journey and not a destination.

A first step in becoming customer centric is to define what it means, to your firm. Our definition of becoming customer centric, which has applied to a number of firms that we have worked with, is:

*"Aligning the resources of [your organization] to effectively respond to the ever-changing needs of the customer, while building mutually profitable relationships."*

Now, let's break that definition down into three parts so that we can discuss each:

1. Aligning the resources of your organization
2. Effectively respond to the ever-changing needs of the customer
3. Building mutually profitable relationships

A common misconception that we have observed is that personnel of a firm initially believe that becoming customer centric means that you must perform as a "doormat" for the customer. Because of this all too frequent misconception, we will discuss the 3rd item first.

### ***Building Mutually Profitable Relationships***

Upon launching an initiative to become customer centric, it is not uncommon to (initially) observe personnel making statements to the effect of "if we are going to be customer centric, then if the customer requests it, we simply must do it." The reality is there needs to be a balance.

Our definition of "becoming customer centric" deliberately includes the key phrase "building mutually profitable relationships" in order to consider the impact on the firm and the customer relationship. It is important to ask key questions such as: Can we profitably, and on a repeatable basis, deliver on this customer's request? Is it supportable for the long-term? Are we simply saying "yes" to appease the customer, when in fact we know (deep down inside) that it will cause problems later?

Being customer centric requires that you seek to understand the customers' needs, set expectations about what can/cannot be done, provide alternatives if a customer's exact request cannot be accommodated and then meet/exceed those expectations.

Becoming customer centric does not mean that you become a door-mat for the customer. The reality is that if your firm doesn't remain profitable in its relationship with the customer, then you will cease to exist. That wouldn't be very customer centric, would it?

### ***Aligning the Resources of Your Organization***

To start, let's confirm which "resources" of your organization we are talking about. Is it just the customer service team? No. How about sales and service? No, it ultimately reaches in to every organization of your firm. Does the definition just include your

personnel? No. In short, the resources of your organization that are within the scope of this definition include:

- ALL personnel in your firm
- Your operating practices and procedures
- Your systems (internal/back-office and external-facing)
- Your products and services

Each of the above has a direct impact on your ability to become customer centric. With this in mind, let's discuss a key element of aligning the personnel in your firm. Aligning your personnel resources requires constant reinforcement of what it means to be customer centric. This includes:

- Demonstration of being customer centric in day-to-day decision making
- Recognizing and rewarding customer centric behavior
- Providing frequent (at least every week or two) updates on progress being made towards becoming customer centric to all staff using all modes of communication (email, group meetings, etc.)
- Providing customer centric training to ALL members of your organization

A simple and fun way of providing this reinforcement can be to publish a periodic (weekly/bi-weekly) "Customer Centric Tips" email to your staff. Here are some thoughts on how to leverage this approach. On a daily basis, you and other members of your staff are making observations of your firm's performance and approach of working with the customer. Occasionally, you will observe an "incident" that would serve as a good case-study for the organization NOT being customer centric. We have found it effective to take this incident and "genericize" it, so that parties involved are not implicated in any way, and outline what was done and how it could have been done more appropriately to fulfill on your customer centric vision. A key aspect is that these messages be viewed as a means for collective learning, not for blaming or finger-pointing. Therefore, use care in your selection of examples and your accounting of them; make it a "fun" read, so that people look forward to opening these messages and reading the lesson learned so that they can apply such lessons in their daily work.

### **Playing Well with Others**

We often hear clients say something to the effect of "if we can't work well with our own internal resources, how can we expect to work well with our external customers?" THAT is a key question with many implications. One way to look at this is to consider that EVERY person in an organization is both a customer of, and supplier to, someone else. Moreover, these relationships could be between personnel within your organization or relate to an external entity.

You have undoubtedly heard the proverb "treat others as you would like to be treated." This rings true in your endeavor to become customer centric. However, it is much more complex than reciting a proverb. One approach to internalizing what it means to be customer centric is to perform customer centric training for everyone in your firm. This is NOT your typical "customer service skills" training. It is all about how to work effectively with other people.

Key aspects of an effective customer centric training program include:

- Performing a pre-training assessment that involves all levels of the organization, from executives to the front-line customer service personnel. In this assessment, it is important to learn what is working well (to reinforce) and identify opportunities for improvement. This includes capturing case study examples of customer scenarios, internal and external, that have been particularly emotional and/or difficult to deal with. Once scrubbed (removing names and details that would relate to a specific "incident"), these can serve as an effective tool to "workshop" in a safe (training) environment.
- Providing multiple modules, allowing people a chance to receive a handful of new skills, and go back to their job to try them out. By doing so, personnel have a chance to try the new skills and where they realized unanticipated results they can discuss in the next training session for clarity. They would then learn the next set of skills and so on...
- Limiting each training session to no more than 15 cross-functional personnel. By mixing it up, you will enjoy a rich training experience, in which case study examples can be explored from the various perspectives of the organization. A by-product is that personnel gain a deeper understanding of the challenges faced by other organizations. This can create empathy and more importantly generate new ideas for resolving common cross-functional challenges that impact your ability to effectively serve the customer.
- Engaging participants with a mixture of exercises, including lecture, role plays and individual and group activities.
- Focusing content on the following four topic areas, which we have found to be most effective:
  - Understanding people and styles of communication
  - Building rapport and communicating effectively
  - Managing difficult conversations with ease
  - Recognizing opportunities and capitalizing on them

EVERY person in the firm should attend this type of training, if you are truly committed to becoming customer centric.

The result: you will hear people talking in the halls about the new-found skills that have helped them in their professional and personal lives. Coupling this training with the other activities being suggested will be a major step in your journey to becoming a customer centric organization.

In short, a key to becoming customer centric is ensuring that all personnel in your firm develop and maintain excellent interpersonal communications skills. After all, a customer is just another human being, not too unlike yourself.

### ***Effectively Respond to the Needs of the Customer***

To effectively respond to your customers' needs, you first must know what they are. You need to ask for and obtain this information by direct and indirect means, then you must respond. In the second part of this discussion, we present a Voice of the Customer (VoC) process, a pragmatic approach to discovering and effectively responding to the ever-changing needs of the customer.

## **Voice of the Customer**

A Voice of the Customer process is a multi-faceted methodology to leverage customer input (obtained directly or indirectly) to serve as a significant source of input to your decision-making and continuous improvement (process/systems improvement, product development, account management, etc.) efforts. These efforts could be at the macro (organization-wide) level or micro (customer-specific) level. In fact, many attributes of the Voice of the Customer process are practices that firms typically have in place already. However, when taken in tandem (as an overall Voice of the Customer program), the results can have an exponentially positive effect on your efforts to become customer centric.

Following are the key aspects of the Voice of the Customer process we will outline:

- Obtain the Pulse of the Customer
- Involve the Customer
- Analyze Information
- Socialize Results
- Implement Customer-Focused Changes
- Respond to the Customer

This is meant to be an iterative and cyclical process. Additionally, a firm will typically elect to implement those Voice of the Customer attributes that make the most sense at that particular point in time (biggest bang for the buck), and subsequently implement additional attributes to evolve their Voice of the Customer program. Finally, performance of the Voice of the Customer process requires operational discipline as there are a set of tasks and activities to be performed on a periodic (typically monthly or quarterly) basis.

Customer input/feedback is critical to support your decision-making process. Companies typically review market trends to look for opportunities to augment their product and service offerings with the hope of capturing "new revenue" from "new customers." This is often done without an understanding of what could be achieved for "new revenue" from the existing customer base, or learning from the experience of existing customers about ways to meet the needs of new customers that exist in the market.

The following sections will identify the typical sources of direct and indirect customer input and examine how they interrelate and can be leveraged as part of a formalized Voice of the Customer program. As such, we will expand upon each area and attribute outlined above in a logical progression, tying together the integrated Voice of the Customer program.

### ***Obtain the Pulse of the Customer***

In order to understand the Voice of the Customer, you need to get a pulse of the customer. To do this, we will cover some of the most appropriate ways to obtain customer input, perspective and feedback in support of the Voice of the Customer program. The following tools can all be used to better understand the customer.

- Survey the Customer – includes Transactional Surveys (to measure customer satisfaction with their interactions with the company) and Relationship Surveys (to measure the health of the overall relationship).

- Interview the Customer – distinct from customer surveys, providing qualitative rather than quantitative data; could occur within the context of an Account Management program or a stand-alone Customer Pulsing program.
- Obtain Input from Customer-Facing Personnel - involves active dialog with customer-facing personnel (service and sales/account management) about what they observe is working and not working as relates to the customer's experience; requires an environment of trust for providing constructive feedback, clear expectations with personnel about what will result, and patience for wading through anecdotes.
- Observe Customer Actions and Behavior – involves monitoring customer activities and transactions, online and through direct observation, to understand how easy it is for customers to do business with the firm and to identify opportunities to better meet customer needs.
- Mystery Shopping – involves role-playing the customer experience, to truly walk in the customer's shoes.

Each of the above items can be performed individually or in various combinations, depending on the unique needs and attributes of the firm and its customer base. Additionally, a firm must acknowledge that each of its customers has many faces. These faces include, but are not necessarily limited to:

- The end-user of the product or service - the personnel who most frequently interact with the firm on a transactional basis.
- The business decision-maker - the person who holds budgetary responsibility for the costs incurred to obtain products/services from the firm.
- The procurement function - the organization within the customer's firm that often has a primary goal of obtaining the best possible products and services at the lowest possible price.

As such, when measuring customer sentiment, it is critical to acknowledge the differences between each face of the customer as relates to the feedback received. That is, the feedback received should be taken in context with the role played within the customer's firm.

## ***Customer Surveys***

Although we won't be covering details on how to construct and administer a customer survey, it is important to note that there are (at least) two types of surveys to consider, each with a typical audience.

### **Transactional surveys**

*Typical audience: Product/service end-user*

The purpose of a transactional survey is to measure customer satisfaction with individual, or a history of, interactions (transactions) with the firm. This can yield valuable information, enabling a firm to improve the customer experience at a tactical level. It should be noted that, while a firm may experience high levels of satisfaction at the transactional level, this does NOT necessarily correlate to high degrees of loyalty. However, it is an important "data point" within a comprehensive Voice of the Customer process. Finally, a transaction-based survey is most frequently targeted at the end-users of a firm's products and services. While the end-users may not hold budgetary responsibility, they can significantly influence the decision-maker.

### **Relationship surveys**

*Typical audience: Decision maker*

The purpose of a relationship survey is to measure the health of the overall relationship. A relationship survey will typically cover all aspects of the firm including, but not limited to:

- Marketing
- Product Management
- Engineering/Development
- Sales/Account Management
- Professional Services
- Training and Education
- Service and Support
- Accounting/Finance/Billing

As such, several individuals from the customer's firm may be required to participate in order for you to understand the nature, satisfaction level and loyalty of the "entire relationship."

In addition to obtaining customer satisfaction on a ranked scale (low to high satisfaction), surveys should provide the customer an opportunity to respond to open-ended questions and general comments.

Important considerations with regards to customer satisfaction surveys include:

- Determining who to survey and how often
- Knowing which voice of the customer you are hearing
- Not merely conducting them, but evaluating the results and taking responsive action

Customer satisfaction surveys are an important aspect of your Voice of the Customer practices, but are ONLY worthwhile when acted upon, as we will see in later in our discussion.

### ***Interview the Customer***

Interviewing the Customer should not be confused with performing a customer satisfaction survey, which typically ranks customer sentiment on a scale (low to high satisfaction) against a set of pre-defined attributes. Customer interviews involve interactive dialog with the customer, starting with simple questions like:

- What is working well in your relationship with our firm?
- What is not working well in your relationship with our firm?
- If you were in charge of my firm what would you do differently?

The responses received from the above will be as diverse as the customer base. It should be noted that these questions are merely a catalyst to generate conversation. When a customer provides a response, don't always take it at face value. If a customer indicates that "working with my account manager is a pleasure" ask "could you give me a specific example that makes you feel this way?" Likewise, if a customer indicates "I just don't receive the level of service I expect" ask "could you



give me a specific example of when we let you down?" When obtaining the customer response to the question "what would you do differently?" ask for specifics on what they hope would result from this recommendation.

It is also important to determine from each customer interviewed the most important aspects of the relationship. To do so, ask questions like:

- What are the top few items that mean the most in your relationship with our firm that by meeting or exceeding your expectations on these items would ensure a long-term relationship?
- What are the top few items that if we don't get right would cause you to rethink your relationship with our firm?

While it would seem that the above two questions would generate a common response from the customer, the result is often a more comprehensive understanding of what is important to the customer.

Finally, interviewing the customer could occur within the context of an account management program (we will discuss later) or as a standalone customer pulsing program. However, it should not be confused or be considered redundant with a customer survey program. Customer surveys typically provide quantitative data while customer interviews typically provide qualitative data. Taken together, this information can be extremely valuable for understanding customer sentiment as part of an integrated Voice of the Customer process.

### ***Obtain Input from Customer-Facing Personnel***

Obtaining input from customer-facing personnel at your firm can be a rich source of input to identify opportunities for improvement. After all, customer-facing personnel (sales/account management, service, etc.) "should" know the customer and their use of your firm's products and services better than anyone. Depending on the nature and complexity of the business, this could occur on an informal or formal, frequent or infrequent basis.

An effective, yet simple, approach to obtaining this input is to bring together a number of customer-facing personnel and ask key questions like:

- What do you feel is working well in terms of how we relate with/serve our customers?
- What are some of the most common/frustrating challenges that our customers have in working with our firm, products and/or services?
- What do you observe as obstacles that prevent you from delivering the kind of service that you feel we should be providing to the customer?
- If you were in charge of this company, what would you do differently?

Doing the above, however, requires:

- Creating an environment of trust for providing this constructive feedback
- Setting expectations with personnel about what may and may not result
- Wading through anecdotes

Let's explore these in greater detail.

### **Creating an Environment of Trust**

The discussion outlined above should be facilitated/hosted by a senior manager of the firm - someone that is not "too close" to the action and can serve as an objective sounding board and recipient of this input. On the other hand, those that participate in this discussion will typically be the "front-line" personnel who often hold some of the lowest-level positions in the firm. As such, there may initially be some level of anxiety to openly sharing this feedback as personnel may fear that they will implicate themselves and/or their organization. The senior manager should position the discussion as critical to the success of the organization, where open and honest dialog is key and indicate that there are "no sacred cows."

### **Setting Expectations**

These discussions invariably yield volumes of thoughts and ideas. It is important for the senior manager hosting this discussion to set expectations about what will and will not be addressed, and (where possible) in what timeframe. Doing so will ensure that the personnel don't have inaccurate expectations such as "now that s/he knows about this, it will go away in no time."

### **Wading Through Anecdotes**

An important aspect of this exercise is to balance the feedback received with quantitative information to back it up. If quantitative data is not readily available, yet the feedback received suggests a significant problem exists, it will be important to determine how to confirm the problem and/or scope of the situation.

### ***Observe Customer Actions and Behaviors***

Observing customer behavior, which can involve monitoring activities and transactions online or through direct observation, is one of the "indirect" approaches to understanding customer sentiment as relates to their experience with the firm. It should not be confused with analyzing purchasing behavior (which will be discussed later). Instead, it involves assessing the customers' experiences in terms of:

- How easy it is for the customer to do business with the firm
- Identifying barriers to doing business
- Identifying opportunities to better meet customer needs (including common cross-sell and up-sell opportunities)

### **How easy it is for the customer to do business with the firm**

Most web reporting software has some form of visitor tracking. Reviewing customer navigation records and reviewing click-through paths can point to web site areas which cause customers confusion or otherwise create a perception of being difficult to do business with.

Along these same lines, direct observation of customer interaction (including listening to or viewing recorded tapes, or listening in on live calls) provides the opportunity to witness non-verbal communication, such as smiles, head shakes or sighs. These non-verbal cues can say far more than the customer is actually speaking regarding ease of doing business.

### **Identifying barriers to doing business**

Noting observations which characterize a company as being difficult to do business with provides the opportunity to identify specific barriers. For example, are customers being required to log in twice, double enter information or read fine print? These types of nuisances, which may be viewed as minor internally, can translate into barriers as perceived by the customer. Essentially, it is important to identify each step that a customer must take to purchase a product or service and eliminate those that add no value to the customer and/or create a barrier to them doing business with the firm.

### **Identifying opportunities to better meet customer needs**

By watching customer activity (including non-verbal actions), listening to what customers are saying (including tone, demeanor, etc...) and reviewing the individual circumstances, you are generating a blueprint to better meet their needs. Additionally, such observations lead to natural opportunities for cross and up-selling that may become a standard part of customer-facing training programs.

### ***Mystery Shopping***

Mystery Shopping essentially involves walking in the shoes of the customer by interacting with your firm to obtain the experience of the customer first-hand. Activities that could be considered include:

- Contacting the customer service center (online & offline)
- Purchasing a product or service (online & offline)

The goal of the above is to assess the experience from the customer's perspective. As such, it is important to perform the above (or other mystery shopping) activities numerous times with the goal of obtaining a representative sampling of the breadth of experiences a customer may have. In addition, performing these activities may require representing various customer segments. Mystery shopping activities should be performed during various times of the day (and/or night, if a 24x7 offering) to determine if a consistent customer experience is being delivered.

This activity can be formal or informal, depending on the nature and complexity of the firm. On a more formal basis it may make sense to predefine a set of attributes that should be assessed in this exercise. The following table outlines examples of what could be measured for each of the two mystery shopping items above.

Mystery Shopping Activity	Mode	Items to Measure/Observe
<b>Contacting the Customer Service Department</b>	Telephone	<ul style="list-style-type: none"> <li>• Call answer time</li> <li>• Con hold messaging</li> <li>• Common greeting</li> <li>• Ease of use/Complexity of the phone tree</li> </ul>
	Email	<ul style="list-style-type: none"> <li>• Response/timeliness of acknowledgement</li> <li>• Provider reference information</li> <li>• Alternative solution paths</li> </ul>
	Web Site	<ul style="list-style-type: none"> <li>• Ease of use</li> <li>• Self-help options</li> <li>• Is online/self-help an attractive option or an obstacle?</li> </ul>
	All (including in-person)	<ul style="list-style-type: none"> <li>• Expectation setting</li> <li>• Clarity in communications (verbal or written)</li> <li>• Professionalism of agent</li> <li>• Common experience online vs. offline</li> </ul>
<b>Purchasing a product or service</b>	Online or offline	<ul style="list-style-type: none"> <li>• Perceived level of privacy and/or security</li> <li>• Ease of conducting the transaction</li> <li>• Expectation setting (cost, delivery, etc.)</li> <li>• Accuracy vs. expectations</li> <li>• Is online an attractive option or obstacle?</li> <li>• Common experience online vs. offline</li> </ul>
	In-person	<ul style="list-style-type: none"> <li>• Appearance of facility and staff</li> <li>• Professionalism of agent or sales person</li> <li>• Depth and accuracy of product knowledge</li> </ul>

Mystery shopping offers empathetic insight into how the customer may perceive doing business with your firm. Note that this exercise can also be effective to perform with competitors as part of a competitive/market research exercise. By doing so, a comparison can take place between your firm and others in the marketplace.

It should go without saying that mystery shopping activities need to occur in such a way that the customer-facing personnel of your firm are unaware. Otherwise, you may not obtain the true experience of the customer.

### ***Involve the Customer***

The "next level" of the Voice of the Customer process is direct customer "involvement." This step confirms that customer perceptions are being accurately interpreted by your firm and provides an opportunity to validate future plans with the customer prior to execution. Two common approaches to achieving direct customer involvement include establishing Focus Groups and a Customer Board of Advisors.

#### **Focus Group(s)**

This is a qualitative approach in which a group of participants (approximately 10) of common demographics, attitudes, or purchase patterns are led through a discussion on a particular topic. This could involve:

- Obtaining additional insight on what you have perceived from your firm's customer pulsing activities
- Reviewing action-plans that result from customer input to validate that they will achieve the anticipated impact in the eyes of the customer
- Obtaining detailed requirements directly from the customer on new product/service feature/functions
- Discussing the nature of the customers' use, benefits, drawbacks, suggestions for improvements and most effective use (short-cuts, workarounds, helpful hints, etc.) of your firm's products/services

As you prepare for the focus group, it will be important to consider the profile (face-of-the-customer) of those you invite. This will be based on the nature of the topics to be covered. If you are covering items related to the overall value proposition and what it would take for a customer to remain a customer for the long-term, you will want to involve decision-makers. If you will be discussing a specific set of features/functions with regard to your product/service, then you will want to invite end-users. For "B2C" firms, you will find that they (decision-maker and end-user) are often the same person.

While the focus group(s) you establish may involve a series of discussions, you will, at a minimum, want to hold an initial session (to actively engage the customer in dialog) and a follow-up session that closes the loop with regard to the actions you are taking based on their input.

#### **Customer Board of Advisors**

This activity involves facilitation of periodic meetings with a select number of senior executives from your firm's customer base. To be clear, this involves engaging customers (to a great degree) into your firm's "inner-circle." As such, care must be given in choosing the customers that you invite to this level of involvement. Attributes to consider when determining the customers to involve in this process include:

- Strategic importance to your firm

- Level of complexity and/or sophistication in the use of your firm's products/services. Representation from customers at each end of the spectrum can be effective.
- Diversity of industries represented

In addition to covering many of the same topics (although at a higher-level) as in the focus groups, it will be beneficial to provide this customer forum with an update on your firm's strategic direction, financial situation and the market challenges and opportunities that you are facing and addressing. You may be amazed at the level of interest that this strategic group of customers has in the success of your firm. That is, they will actively engage with you, offering approaches that you might consider in addressing some of your most pressing challenges and opportunities.

The nature of discussions, feedback received and perspective obtained from the Customer Board of Advisors will typically be strategic in nature. This is beneficial to your Voice of the Customer activities as it helps to balance out aspects of customer input that may be more tactical in nature.

Finally, keys to success for involving the customer in the forums outlined above include:

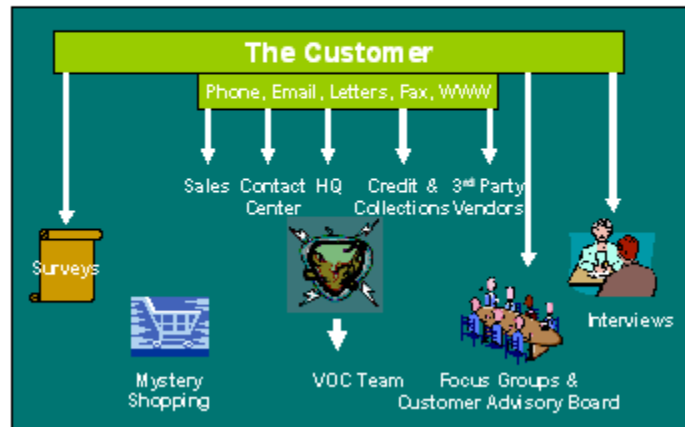
- Leveraging a trained / objective moderator to ensure that open/frank communications take place, and that discussions remain on track.
- Clearly setting goals, objectives, expectations and ground-rules for each session.
- Establishing confidentiality – This includes confidentiality between the host and individual customer firms, and between the individual customer firms.
- Cross-functional participation from your firm – This ensures that multiple facets of your firm hear, first-hand, what the customer is saying and can hold interactive dialog with the customer for clarity. Areas of your firm to consider include: Marketing, Product Management, Engineering/Development, Sales/Account Management, Professional Services, Training/Education, Service/Support and Accounting/Finance/Billing.

Involving the customer in your action-planning and continuous improvement efforts demonstrates to the customer that they, and their input, are important and ensures that the plans you initiate are in alignment with customer needs.

### ***Analyze Information***

We start this edition with a graphic representation of what we have covered so far in the Voice of the Customer process - "Obtaining the Pulse of the Customer."

## Continuously Obtain The Pulse of the Customer



Once your company has collected customer-related input and feedback in various forms from various sources and validated this input against customer perception, how do you leverage this invaluable information? The first step is analysis, of two kinds:

- Analyze customer feedback and information gathered
- Analyze against other information held by the firm

Analyzing customer feedback involves reviewing both the qualitative and quantitative information gathered to identify:

- Positive trends (what is working?)
- Troublesome trends (what needs attention?)
- Themes being heard from the customer

Analyzing against other information held by the firm involves evaluating customer feedback against:

- Customer demographics
- Transactional history (inquiries, orders, service requests, web-site usage, etc.)

As the analysis process unfolds, the observations (themes, learnings, issues, etc.) should be logically categorized so that the firm can make best use of this information. Typically, the general categorizations coincide with the functional areas involved in the program, including:

- Marketing
- Product Management
- Engineering/Development
- Sales/Account Management
- Professional Services

- Training and Education
- Service and Support
- Accounting/Finance/Billing

A common outcome of this step is a defined customer segmentation strategy. It may be determined that customers with certain characteristics (demographics, purchasing behavior, etc.) are more satisfied, have longer relationships with the firm, or purchase larger quantities and a more diverse set of products/services than others. Customer segmentation is an effective approach to support the subsequent steps of defining action-plans to respond to results.

It is suggested that a centralized function or single person (depending on the size of the firm) perform the information aggregation and top-level analysis in support of the organization's performance of the next steps in the Voice of the Customer process.

### ***Socialize Results***

With customer feedback and information gathered and analyzed, the next step to becoming Customer Centric by leveraging the Voice of the Customer involves socializing the results of your Voice of the Customer activities. It is time to make effective and responsive use of this new-found intelligence organization-wide. Essentially, this step involves assimilating and disseminating information to all personnel in the firm.

A key to this step is that of ensuring each person receives the "appropriate" level of information necessary to do his or her part in influencing the customer experience. It is suggested that there are (at least) two levels of information to share internally:

- Top-level reporting for general awareness
- Detail-level reporting for analysis and action-planning

#### **Top-level reporting for general awareness**

This includes a set of high-level reports and statistics that outline the overall trends of customer satisfaction, themes being observed (what is working and what needs attention) and, finally, the action-plans that are in place to address observed trends. This information should be provided and/or made available to EVERY person in the firm. This can be disseminated via a number of means, including an intranet site, all-hands meetings and internal newsletters for employees. Managers should be held accountable to review, interpret and discuss this information with members of their staff. By doing so, the entire staff obtains a common understanding of customer sentiment and demonstrates the firm's commitment to respond to the voice of the customer.

#### **Detail-level reporting for analysis and action-planning**

This involves providing detailed information for specific personnel within the firm that have a direct impact on the customer's experience. Typically, this includes, but is not necessarily limited to, the following organizations:

- Marketing
- Product Management
- Engineering/Development



- Sales/Account Management
- Professional Services
- Training and Education
- Service and Support
- Accounting/Finance/Billing

It should be expected that an assigned person from each of the organizations above review Voice of the Customer information to determine, for each area:

- What is being done right (positive areas of impact and/or activities to continue)
- What items need to be addressed

The activities outlined above are meant to support the next step of implementing customer-focused changes.

### ***Implement Customer-Focused Changes***

Now that you have obtained customer input, analyzed it and socialized the results, it is time to implement customer-focused changes. This implementation involves several steps:

- Management attention and commitment
- Conducting formal cross-functional reviews
- Voice of the Customer tracking and reporting
- Forecasting

### **Management Attention and Commitment**

Senior management (Director and VP-level) of several critical organizations must be engaged to participate in the Voice of the Customer program. This includes the following organizations:

- Marketing
- Product Management
- Engineering/Development
- Sales/Account Management
- Professional Services
- Training and Education
- Service and Support
- Accounting/Finance/Billing

This level of commitment requires senior managers to "personally" review the Voice of the Customer information as well as ensure their areas are fully represented in all elements of the Voice of the Customer program. Additionally, it is crucial for them to determine the key performance indicators of the organization that the Voice of the Customer program is targeted to improve, such as:

- Customer satisfaction

- Customer retention
- Churn
- Revenue and profitability
  - Overall
  - By customer segment
  - By customer
- Product/service diversity by customer

Obtaining management attention and commitment to this program, and what will be measured, demonstrates leadership and the level of importance given to the Voice of the Customer program.

### **Conduct Formal Cross-Functional Reviews**

This step involves conducting a periodic (monthly/quarterly) cross-functional discussion which includes the following steps and activities:

- A formal review of Voice of the Customer data with a team of resources from each department previously identified as having the most significant impact on the customer experience.
- Obtaining organizational commitment for putting in place action-plans to respond to troublesome trends and/or close the gap between current state and goal (level of satisfaction, retention, revenue, product/service diversity per customer, etc.).
- Obtaining updates on previously established action-plans. Because this is a recurring discussion, it is important not only to identify new action-plans to address new trends and observations, but also to obtain status of previously committed action-plans to ensure accountability and follow-through.

To support this, each organization involved in the Voice of the Customer program needs to receive the monthly reporting package and perform a detailed review to identify trends observed and determine actions in advance of this review meeting.

This could include individual organizations identifying the need to follow-up with the customer to apologize for lack of performance by the firm, reset expectations or obtain additional details regarding a comment. For chronic trends that are impacting many customers, you will want to define initiatives to improve the organization's level of performance experienced by the customer.

Each team must come to the cross-functional review meeting prepared to discuss the Voice of the Customer results respective of their area and comment on actions that have been, or will be, taken.

Finally, this meeting should be facilitated by an "unbiased" member of the firm who is not "within" a customer-facing organization. This role could be referenced as the Voice of the Customer program manager. This person must be assertive, diplomatic and empowered to "ask the tough questions." Because this person has no vested interest in the customer-facing organizational camps, he or she can tease-out key areas that need to be addressed to get at the root of issues causing customer dissatisfaction and/or defection.

## ***Tracking and Reporting***

In advance of the cross-functional review meeting, each functional area will provide its key customer-impacting performance metrics to the Voice of the Customer program manager. The Voice of the Customer program manager will then create a Voice of the Customer dashboard that includes both high-level and detail-level reporting on monthly trends including: customer satisfaction and retention, revenue, contact center stats (e.g., inquiry volumes, hold times, answer times, etc.), customer problem reports (i.e., bugs), days sales outstanding (DSO), on-time delivery stats, average number products consumed/utilized per customer, etc. This will enable a comprehensive review of overall company performance as measured by metrics key to the customer experience.

Based on actual performance, the cross-functional team can then discuss or recommend the necessary continuous improvement programs that are either underway, or required, to achieve the desired results. These customer-impacting initiatives will then be included on the Voice of the Customer dashboard to support the next step in the process, which is that of forecasting customer satisfaction and retention.

It should be noted that this reporting, once reviewed by the cross-functional team, should be subsequently distributed to senior management and all levels of management of organizations involved in the Voice of the Customer program.

## ***Forecasting***

By achieving the cross-functional alignment discussed previously, one of the more sophisticated steps that can be taken is that of forecasting customer satisfaction and retention, as well as providing input to account planning activities to forecast anticipated account revenue.

The following provides an approach for forecasting customer satisfaction levels, but could also be applied to forecasting customer retention and revenue.

First, each area of the Voice of the Customer program should have an established goal that is owned by the functional area whose performance will be measured. Also, each defined program needs to establish a quantifiable impact that can be tracked on a timeline. For example, let's assume that the Customer Care organization will be performing a customer service skills training program in the month of April. It is expected that this will have a measurable impact on customer satisfaction, for all segments of the customer base. The first step is to determine when the impact of this training will initially be felt by the customer, say May, for example. The second focus is determining when this impact will be observed in the customer satisfaction survey results. In this case, if the training will begin to provide positive impact in May, the full impact on the survey results may not show up until the June surveys are administered. Therefore, it will not be until the July timeframe, when the June survey results can be reviewed, that the organization will be able to see the full impact of this training.

The final focus is establishing customer satisfaction goals to identify the level of impact. For example, assume that customers are 78% totally satisfied with Customer Care, at the present time. The question to ask is "how many percentage points do we anticipate that customer satisfaction ratings will increase as a result of providing skills training to the Customer Care organization? How much improvement should we experience in May, and how much in June?" It may be decided that the customer

satisfaction rating will improve by 2% in the May survey, and an additional 6% in June. This exercise is repeated for each functional area as they identify the impact that their customer-focused initiatives will have on the results for which they are responsible.

There is no silver-bullet. As such, it is important to try various programs designed to achieve the desired results, check against Voice the Customer metrics and adjust the program(s) based on customer feedback. Aligning cross-functional organizations to common goals and promoting awareness throughout the organization is a major step to achieving the benefits of a fully integrated Voice of the Customer program.

### ***Respond to the Customer***

This step in your Voice of the Customer program could be considered the icing on the cake. Now that the organization is performing various elements of the Voice of the Customer program, it is time to share the results with the customer. In summary, this will demonstrate to the customer that your firm truly values their feedback by responding in ways to improve the experience they have with your firm. Responding to the customer has two main aspects:

- Responding to immediate needs
- Letting customers know individually (where applicable) and overall (the broader customer-base):
  - What was heard/learned
  - What has been done
  - What will be done

We will start by providing an overview on how to effectively respond to the customers' immediate needs uncovered in your Voice of the Customer activities.

### **Immediate Response Required**

During the process of administering a Voice of the Customer program, the customer may express items requiring immediate attention. These items could include leads for new business, up-sell and cross-sell opportunities, or areas of significant dissatisfaction from an irate customer. This is the moment of truth in the eyes of your customer.

Promptly responding to these items demonstrates to the customer how much you care about their business. Not doing so gives the customer the perception that you don't care, or (in the case of their sharing this information as part of a survey, interview or user group) is wasting their time by asking them to participate. A customer that has a need for additional services will now have time to shop the competitor. And, a customer that is dissatisfied with the product or service will only be further convinced of the lack of performance of your organization. The goal is to take this opportunity to show the customer how much you truly care about their needs.

The key here is ensuring that those customer touch-points, which are part of the Voice of the Customer program, have the means to engage the normal channels of business to facilitate an effective response. It should go without saying that if a customer-facing person (such as sales/account management, customer service, etc.) observes a situation that would require immediate response, he or she should leverage normal operating procedures to do so. However, there may be other

(internal or external) organizations that are not "as connected." For example, many firms have a specific department, or engage a third party, to perform their customer satisfaction survey. These entities may not "fully" appreciate the level of impact that the firm's products/services have on the customer, or know the most effective approach to facilitate a timely response to a customer's need. In either case, the person administering the survey needs to be able to identify those situations requiring immediate response and have a process for doing so in an efficient and effective manner.

For the purpose of this discussion, let's refer to these cases as a HOTLINE. There are three steps in setting up a process to effectively respond to HOTLINES:

- Establishing the HOTLINE criteria
- Implementing a HOTLINE team
- Management Reporting

Establishing the HOTLINE criteria: The first step in setting up a HOTLINE process is establishing criteria for which real-time response is warranted. Examples could include identifying keywords that a customer may use when responding to a survey, or indicating that if a customer provides at least one response of "totally dissatisfied" to any survey question it is a qualified HOTLINE.

Additionally, the person administering the survey must be prepared to capture the complete context of the customer's comment. There is nothing worse for a dissatisfied customer than to go through a dissertation during the survey, on their areas of concern, only to receive another call from someone asking "so, why are you dissatisfied with our service?"

Implementing a HOTLINE team: The next step is to define, within the organization, the subject-matter areas (in most cases, normal channels of business) that are empowered to effectively respond to customer HOTLINES. This includes ensuring the team has the ability to immediately engage support personnel to resolve the customer's service issues, or be able to initiate the order process to fulfill a customer's requirement for new/additional services. For many companies, it makes sense to establish the HOTLINE process such that service issues go to the Customer Care department, and up-sell and cross-sell opportunities go to Sales.

A customer's dissatisfaction is in direct proportion to the gap between what they "believe" they were to receive and what they "perceive" they are receiving. This can be a contractual gap or it could be based on a misunderstanding of what they acquired. As such, the HOTLINE team must be knowledgeable about the customer, the products/services the customer presently has or is entitled to. They must also understand any prior complaints the customer has made. The outcome is that the HOTLINE team may need to explain that a particular item or service was not included in their purchase or lease. They should also be prepared to discuss how they may be able to obtain this added level of service, if it is an available option and they so desire it. This team, therefore, must be very knowledgeable about the firm's products and services as the appropriate response may simply be to reset the customer's expectations.

Management Reporting: The final step of the HOTLINE process is to produce management reporting on a frequent basis, with the goal of ensuring that appropriate attention is paid to HOTLINES.

Reporting should occur on a monthly basis, at the least. Information on the HOTLINE report should include the customer's company name, contact name, brief description of the HOTLINE, when it was detected, when it was initially acted upon, when it was closed-out and what the final resolution was.

Now when a customer satisfaction survey is administered, the team conducting the survey (the department or survey partner) has an approach to facilitate timely response if/when they sense that a customer's situation warrants it. They will know what criteria initiates this process, what information they should capture, and how to engage the appropriate personnel in the organization to follow-up with the customer.

Effectively responding to HOTLINES uncovered in the survey process simply requires a closed-loop process between those that administer the survey and the normal channels of business. This is a critical step to fulfill a customer's unmet needs and respond to their concerns that may have been previously unknown to the firm. In all cases this is a win-win situation.

### **Respond to the Customer with Account Strategies**

Now that you have sought out input from your customers and developed a structure for responding to specific customers and the customer-base overall, we will discuss a strategy to leverage your Voice of the Customer results for specific customer accounts. The result (why you want to read this) is that you will:

- Identify additional revenue opportunities in existing accounts
- Expand the level and breadth of contacts that account managers have with these accounts
- Clearly identify account issues (gaps that can be closed)
- Align the corporation's resources to resolve account issues
- Enhance the relationship between account managers and their customers
- Increase account revenue

In many ways, implementing account strategies could be considered a microcosm of an overall Voice of the Customer program. Implementing account strategies (to the fullest extent) is something that may only be done for a firm's highest-profile (strategic) accounts. However, there are many facets of this that any account manager may find beneficial to leverage for his or her specific accounts.

Implementing account strategies involves the following six steps:

- Compile account-specific results
- Engage senior management in the customer's experience
- Prepare for the customer review meeting
- Meet with the customer
- Educate the organization and engage resources to respond
- Continue the process

Compile account-specific results. The first step is to compile an account-specific report. This entails creating a report of the specific customer's feedback resulting from surveys, interviews, etc. The report should outline: who participated (names

and titles), the levels of satisfaction and dissatisfaction by person, and any comments they shared during the process.

Additionally, it is important to review the overall Voice of the Customer reporting which outlines global or customer segment-specific trends and compare with the feedback received from the specific customer. By doing so, you can communicate to the customer what is being done to address global issues, or issues impacting customers like them, in addition to discussing those issues which may pertain only to the specific customer. Customers value knowing how their experience with your firm is the same as, and/or different from, other customers.

The following steps outline how this can be done, by leveraging the customer's feedback.

Engage senior management in the customer's experience. While it is not expected that each customer has a relationship with an executive from your company, it is highly beneficial to have senior executives (VP and above) develop relationships with 2-3 of the firm's highest priority accounts. Highest priority accounts can be defined as those that generate the most revenue, have strategic name recognition or are an important partner in the industry within which your firm operates. Having executives develop relationships with the highest priority accounts forms the basis for a very effective and long-term partnership between the firms. A specific step that an executive can perform is that of an interactive review of Voice of the Customer results, with the customer's Account Manager and the customer. This provides opportunities for the executive to hear "unfiltered" feedback from the customer base. Additionally, it is an excellent opportunity to turn problem situations into new business opportunities. That is, executives typically don't get bogged down in the details. Instead, they strive to form strategic relationships built upon mutual respect and trust. With executives this close to the customer, the firm demonstrates to all constituencies the commitment the organization has to the customer.

Prepare for the customer review meeting. The major activity in this step is holding a rehearsal, or dry-run, of the customer meeting between the account manager and the senior manager assigned to the account. The goal is to determine the appropriate strategy for the meeting and what messages need to be delivered to the customer. It is important to assign specific discussion points. The senior executive typically covers an overview of the corporation, future plans and objectives of the Voice of the Customer program. The account manager then discusses the customer's feedback results and asks key questions, such as:

- What can I, the Account Manager, do to improve your satisfaction and loyalty with our firm?
- What can the Company do to improve?
- What is everything necessary for you to become Totally Satisfied?

Note: these questions provide additional input to the Voice of the Customer program and serve as a closed-loop to the step of "obtaining the pulse of the customer."

When scheduling face-time with the customer, use this opportunity to indicate that a senior manager from your firm will be present, and it would be beneficial to have senior manager(s) present from the customer's firm as well. By taking the posture of presenting analysis material that will benefit the account, instead of selling, the account manager can enter offices that may have previously been closed. The account manager now has an excuse to move horizontally and vertically within the

account's organization in order to present the results and extend his or her sphere of influence.

Meet with the customer. In summary, this step involves sharing what has been observed as broad trends across the customer base and what is being done to respond globally. Then comes a review of the customer's specific input/concerns and finally your firm's response.

The main goals of this meeting include:

- Clarify any account issues
- Identify additional ways to help the customer achieve specified goals and objectives (a.k.a. identify additional business opportunities)
- Understand how the account evaluates the firm's products and services
- Demonstrate to the customer that the firm takes customer input seriously and is responding to meet identified needs

Educate the organization and engage resources to respond. This step involves educating and engaging others in the firm to respond to the specific account's feedback. For example, there may be information that needs to be shared with Marketing and Product Management that may lead to future enhancements to the products or services. It may also be appropriate to pull together the extended account team to respond to the customer's specific feedback. Too often, customer satisfaction and loyalty are left on the shoulders of account management and/or customer care. While these are key functions impacting the customer's experience with the firm, many other personnel touch the customer, and/or influence the customer's experience. As such, it is important to bring together members of the extended account-team to ensure that each organization understands the areas of satisfaction and dissatisfaction of the particular account and each person knows what he or she can do to positively influence this specific customer's perception of the firm.

Continue the process. By now, many of the benefits of implementing account strategies have been realized. It is important to continuously loop through this process on a periodic basis (monthly or quarterly) with each account in the program. During each subsequent meeting, the team will start by providing an update on what has been done, the programs now in place, or steps taken to respond to the customer's previously identified areas of dissatisfaction. It will be observed that each pass at this process builds upon an increasing relationship of mutual trust and respect.

To reiterate, implementing all aspects of account strategies outlined above is not something that is necessary for all customers. It is suggested that this is a program that is performed, in its entirety, for a firm's highest-profile accounts. With that said, however, it is highly recommended that account managers leverage Voice of the Customer results to hold similar discussions with their lower-profile accounts. While senior management from the firm may not be engaged, the account managers and customer will realize positive results here as well.

Responding to the customer to communicate what was learned, what you have done and what is planned as a result of your Voice of the Customer activities demonstrates that you care about your customer's business. And, as outlined above, by properly leveraging this information, you can not only increase customer loyalty, but also lock-in additional revenue opportunities!



### ***Communicate Back to the Customer Base***

Since it is not feasible to respond to all customers in the detailed manner associated with implementing account strategies, it is important to provide the overall customer base a separate response to their input. This update could be performed in a number of ways:

- Publishing a periodic newsletter (print or email)
- Posting information on your web-site, alerting customers via email to view the update
- Formally instituting this update as a key component of the firm's account management practices for all or various segments of the customer base
- Providing an overview during user-group and/or board of advisor meetings
- Providing a direct response to those that participated in a particular Voice of the Customer activity (survey, etc.)

In summary, it is important to use the appropriate means possible to communicate to the customer what was heard and learned, what has been done, and what is planned to continuously improve the experience the customer has with the firm.

## **Conclusion**

The aspiration of a company to become customer centric requires work and commitment across the organization. It needs to be sponsored by senior management and factored into the daily routines of all the staff that have direct contacts with – or impacts – on customers and the overall customer experience.

In our discussion, we have offered what we believe to be a comprehensive definition of what being customer centric is, from our perspective. The key element of our definition is the goal of creating mutually beneficial relationships between an organization and its customers. Ultimately, each organization must determine what it means to them and how they plan to approach it. They need to make it their own – and own it as an organization.

We also offered practical approaches to getting a pulse of your customers, finding their “voice,” involving customers in the process of becoming customer centric, and using this new focus to report, predict, and forecast changes to customer perceptions and overall satisfaction ratings.

It is important to note that becoming customer centric is not a destination; it is a journey. We hope that this discussion will help you take the first steps on this path and that find the journey as enjoyable and rewarding as we have.

### ***A Note in Closing***

If you would like assistance with designing and implementing your Voice of the Customer program or would like to brainstorm on how you can “get there” more quickly, feel free to contact us at Customer Centricity. We assist firms in implementing these programs using time-proven approaches and process templates. We can help you hit the ground running and quickly reap the benefits of a Voice of the Customer program.

In addition, we have a number of resources available on our website ([www.customercentricity.biz](http://www.customercentricity.biz)) under the “resources” link. These include an outline of a complete Voice of the Customer program and presentation that we have used with customers to educate them on the topic.

## **About Customer Centricity, Inc.**

Customer Centricity, Inc., is a business consulting firm that works with companies to align their resources to exceed customer expectations in the most efficient and effective manner possible. We leverage our real-world experience to help our clients continuously improve their service delivery and management capabilities to:

- Increase profitability
- Improve customer satisfaction and retention
- Increase operational efficiencies
- Improve employee satisfaction

Customer Centricity optimizes the interaction between people, process and technology in several ways:

- Comprehensive assessment methodology to identify the actions that will yield our clients the greatest return
- Skills Training to enable customer-facing personnel to deliver exceptional levels of customer service
- Design and Implementation of business processes to serve the customer and manage corporate resources in efficient, effective and consistent manners
- Identification of the appropriate business processes to automate, enabling companies to get the most from their investments in technology

Customer Centricity's approach is to work closely with our clients to help them understand what they are doing right, and their opportunities for improvement. We provide pragmatic recommendations that provide immediate benefits, and we drive continuous improvement programs to help our clients realize significant return on investment in a very short period of time (measured in weeks, not months or years).

Visit our web site at [www.customercentricity.biz](http://www.customercentricity.biz) for access to an archive of our newsletters and other resources to help you transform your company into a customer centric organization.