



**‘ACTIVE’:
Floats Like A Butterfly, Stings Like A Bee**

**A guide to help your business
become nimble and retain customers**

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'ACTIVE'



We've all been at the other end of that fateful call when your most valued, installed account moves to a competitor. How did it happen? The illusive customer; how do you keep these valuable accounts with an environment of highly competitive pricing and services? Didn't the last customer satisfaction survey reveal that the customer was happy with your service and pricing? During your last visit to the customer site, didn't your sales report reflect that the IT Manager was "blown-away" by the responsiveness and knowledge level of your company's tech staff? So what happened? Why are they leaving? Why are you the last to know? How will this effect your quarterly/yearly forecast? Can your pipeline make up for the loss? Is it too late to win the customer back?



There are countless activities that can be initiated by your company that may avoid this situation. Sometimes the smallest changes within your own service or product offering can enable you to make a substantial impact in retaining your best customers as well as your bottom line. To begin a simple, self-assessment, you might want to consider an exercise that I like to call ACTIVE.

- A - Account Management
- C - Customer Lifecycle vs. Sales Cycle
- T - Account Team
- I - Internal Infrastructure
- V - Value Proposition
- E - Enable Customer Involvement in Product/Service Development

A - Account Management



Account Management is probably the single most important activity in gaining, controlling and properly maintaining an installed account. Unfortunately, the "sales cycle" is too often viewed as "contract to cash or C to C." That means: get the contract signed and get the first bill out!" By then, the sales person is on to the next sale with little or no-hands on knowledge of the account, until, of course the next sale opportunity arises.

As we all know, more often than not, installation, testing and expected operability of the product and services are performed well beyond the first billing cycle. "C to C" is a widely-spread and debilitating activity that has lead to a high turn-over of valuable, installed customers and a substantial decrease in repeatable business.



In the sales cycle there are dozens of "cracks" from the time in which a customer agrees to do business with you to the actual performance of your product and services. This includes the time before the contract is even signed! There are many departments and teams of people who provide expertise throughout that cycle, but there is only one Account Manager, only one person that is and should be responsible for the success of the customer. The Account Manager knows the temperature of every level of the customer relating to the expectations set by your company. From the customer's CEO to the end-users, the Account Manager is surveying, evaluating, reporting back to both your company and the customer, adjusting and improving, according to evaluation results. If at anytime during the cycle, there is a breakdown, or expectations that are not met, the damage control due to the lack of trust experienced by your customer can impact future revenue, account references, inability to penetrate deeper and wider within the account, a decrease in customer satisfaction survey results, and ultimately account control. Are your Account Management and/or Sales Process in place to avoid these common pitfalls? How do you know? How is it measured? Do you have a strong, documented, measurable methodology? Processes?

C – Customer Life Cycle

Customer Life Cycle should replace Sales Cycle. As long as there is a relationship with a customer, on any level, there is an opportunity to generate additional revenue. There must be a clear and simple strategy that everyone, from your company's CEO to a receptionist, understands when engaged in any activity with a customer or potential customer. Every call, every letter, every visit, every e-mail, every fax has the makings of a potential sale.

Do your employees know who your most valuable customers are? Do they recognize a potential sale, and where the letter/ call/e-mail/fax should be referred? What are the processes in place for every level of employee as to what to do; what to say, if they are engaged with a customer/potential customer? Are employees authorized to act immediately on behalf of all customers: “do the right thing?” Do they know what the “right thing” is? What systems are in place that enable employees to have as much customer information as possible at their fingertips, to create a “one-company” impression with your customers? Can every employee give an “elevator speech?” Is your employee orientation a few hours of company benefits and HR forms? Or does your employee orientation prepare your greatest company assets to become your greatest revenue generating organization? Is everyone trained, developed and worthy of wearing your company “t-shirt?” The customer experience results from how you have prepared each and every employee.

T – Team

Team has been so overused, that it has little or no meaning to employees today. Perhaps this is because we talk about team, but we measure, recognize and reward individuals. Reward & Recognition = Performance. Our employees meet the standards that are set by management. Consider shifting your reward and recognition from product to customer.

There is no Account Manager that is successful alone. There are countless, nameless, unrewarded, non-commissioned employees who are part of a greater whole, a greater sale, a greater opportunity. These vitally important teams of people are usually not organized as members of Account Teams. This is a place where potential breakdowns in the Customer Life Cycle take place. There is no “customer focus” between Sales and Operations; instead, it is a product focus: “Fill out the order, prepare the appropriate paperwork and customer order tickets, feed them through the system, build, test, deliver, switch it on.” These are the very basics. This is about product. This is what everyone does—including your competitor.

Completing these basic tasks to the highest standards is the very least of what is expected from your customer. But, if you ask yourself, “Within this step of the customer life cycle: what is the expectation?” The question is how you provide the above service/product to your customers. And, how do you know how well it was received? What are your measurement criteria and are they accurate? How are levels of the Account Team measured, rewarded and recognized for their customer focus? Is Operations/Engineering/Billing, etc., included in your yearly Sales Conferences/Reward Seminars/Strategic Planning? Are you bringing together all of the parts that affect revenues and profits? Are they sharing information, ideas, and initiatives? Are your internal organizations constantly reinventing the wheel—thus, needlessly spending more because they do not regularly meet, plan and strategize?

I – Internal Infrastructure

Your Internal Infrastructure: includes your people, processes and technology which all need to be aligned to a common strategy in terms of how you serve the customer. To determine where you stand, in this regard, you are encouraged to perform a thorough audit: an audit of how each employee's activity relates to serving the customer and/or supports the generation of revenue, and how your processes and technology support these objectives.



Ineffective, inefficient processes are common drains for many companies. Employees who must utilize different and quite often conflicting systems waste time, energy and productivity.



So, ask yourself: “What are my people/process/technology requirements to support the services and products I have promised to my customer? You may require several processes and systems to meet your end-to-end customer support/service needs. Important elements to consider: Are they all focused on the same goals and objectives? Do they talk to one another? Can information be shared? What customer information must be available with the least amount of time and effort, and is it? Is it accessible by remote users? Is the information available for on-line support? How much e-commerce/e-service should be available to customers? What reports will I need and who will require them? Will everyone be able to generate reports when they need to? What additional training/development is required for employees/customers? What can/should be measured? Who will require the measurements? How/when will I know I have made a good investment?

Aligning your internal infrastructure (people, process and technology) to common goals and objectives ensures that you achieve the highest possible return-on-investment (ROI) on your customer-focused initiatives.

V – Value



Value is the single most important element of a customer/vendor relationship. What value do you offer your customers that they cannot purchase or experience with anyone else? If you do not know the answer to that question, you should not be surprised to see a migration of your very best and valued customers to your competitors. And, if your employees do not know the answer to that question, the likelihood of losing opportunities every day has just been increased. Statistics have shown that price is not the determining factor as to whether a customer signs a contract. Rather, the customer believes they will receive, or have received, value throughout the customer life-cycle that is worth the price (which is usually higher than the competitor). When you deliver this kind of value you will find your customer referencing your firm to other companies, internal groups, and to analysts. All of which can only mean increased sales, profit and positive branding for your company.

What can you do right now to increase your value proposition: in one year? In two years?

E – Enablement



Enabling your customers to become involved with and actively participate in the development of your products and services is a value-add proposition. Enabling and authorizing your employees to make decisions at every “touch point” (anytime one is engaged with a customer) is both a sound investment and a revenue opportunity. But, where do you begin?



You can start this process by creating a Board of Advisors consisting of CEOs/Senior Executives from your most valuable, highest revenue generating customers. Because the participants are senior executives, you should match them with senior management of your company to show your commitment to them – the customer. You should also leverage this audience to understand the BUSINESS issues that they face every day and how your products and services affect them (hopefully solving some of the issues). Depending on the types of products and services you offer, you may also want to add an End-User’s group. This program may have some similarities to the Board of Advisors, but can be as simple or as sophisticated as you want. Some End-Users’ groups have self-governing leaders from your client base, who will hold meetings and seminars based upon your products and services, and make recommendations to you. Others may consist of an information/idea sharing organization that needs only a website, call in-number, etc. Customers appreciate and VALUE being involved in creating and developing products and services that meet their needs. One caution is that customers want to be heard. This means that if you ask for their feedback and input, they want to know what you are doing with it. It comes down to communication.



If you decide that a suggested change is not in keeping with the direction that most of your customers want, be sure to explain that to the customers that felt strongly about it and explore other ways of addressing their concerns. When considering the ROI in programs like this, there is no price-tag that can be attached. Now your value-add has become INVALUABLE to you and to your customer.



Training, developing and trusting employees is another investment that, when implemented to its fullest, can result in a crop of industry experts and an extended sales force that is enviable among peer corporations. There are countless examples that we have all read about relating to employees making a decision on behalf of the customer, usually acting far beyond the boundaries of their own job function and task statement. There is no better example of this than L.L. Bean. The publicity that is created from the satisfied customer of L.L. Bean is worth its weight in revenue. Why does this happen and so often? Because the company has a single focus, and every employee knows what that focus is: "The customer need before the company need." And each employee acts on that goal; every day, with every customer, in every situation. Quality is not even an issue, it is a standard, and it is backed by their 100% guarantee for as long as you own the item. There is no wonder why L.L. Bean is #1 in service for their industry. Why is it that technical, highly complex products and services, do not fall under the same guarantee and product/service standards?

Final Thoughts



When considering changes to handling customers, you need to place your emphasis in the right places at the right time: people, processes and systems—in that order. Is every employee ready to meet the challenge? Are all processes working effectively and efficiently? When these are addressed, the question may not be "Should you automate?" The question may be: "Are you prepared to automate?"

So, there it is! ACTIVE: Account Management, Customer Life Cycle, Team-Orientation, Value, and Enablement. Implementing just one of these shifts in strategy and actions can help convert merely satisfied customers to loyal customers who advocate your products and services to others! This is something to think about in an environment of high competition and tough economic conditions.

More 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:

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- Comprehensive assessment methodology to identify the actions that will yield our client's 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 help our clients realize significant return on investment in a very short period of time (measured in weeks, not months or years).

To learn more about Customer Centricity, call 603/491-7948 or visit our web-site, www.customercentricity.biz

