

Customer Centricity



Presented by Craig Bailey, December 8, 2004

Leveraging the
Voice-of-the-Customer to Maximize Business
Results





Agenda

1. Why Listen to the Voice-of-the-Customer?

2. Purpose & Scope

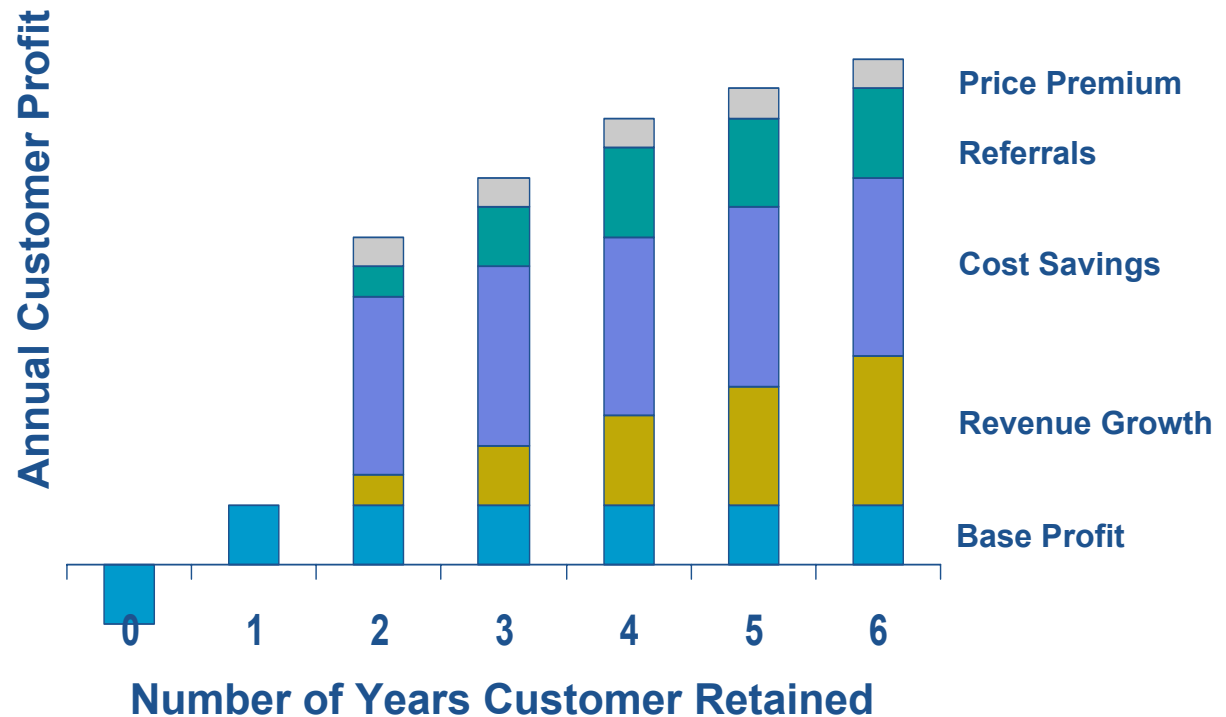
3. Process & Methods

4. Benefits Realized



Why Listen to the VoC? The Loyalty Effect

Grow Profits by
Growing Customer
Relationships &
Increasing Retention



Source: *The Loyalty Effect*, Harvard Business Press



Purpose

Align the resources of your firm to respond to the ever-changing needs of the customer, while building mutually profitable relationships.



What is the Scope? - Part 1

- Encompasses the “experience” a customer has at EVERY touch-point with your firm, including:
 - Purchase transaction (on or offline)
 - Attending an event or training
 - Accessing information online
 - Phone, email, walk-in
 - Use of product/service
 - Receipt of shipment

NOTE: Includes “outsourced” touch-points

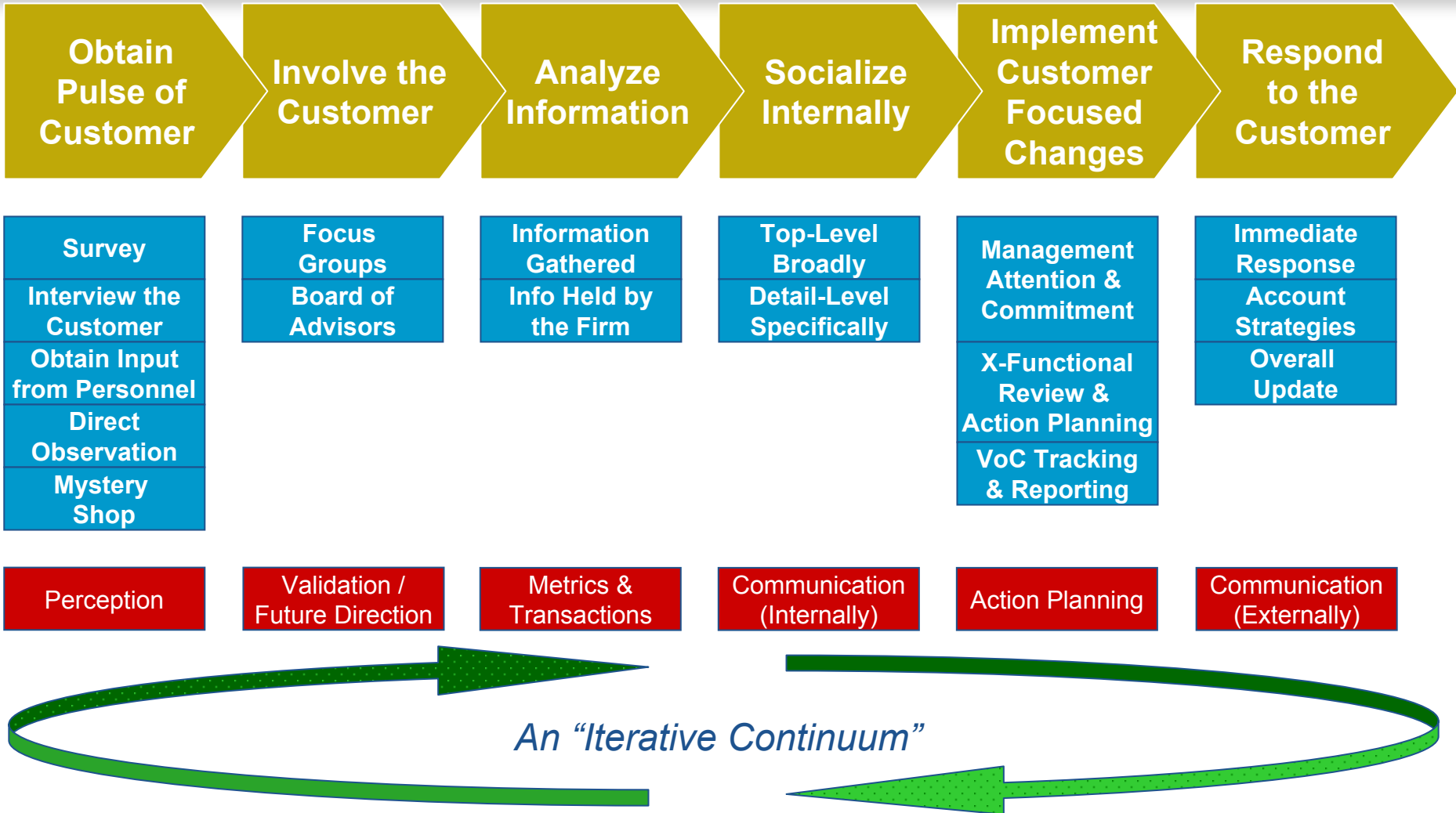


What is the Scope? - Part 2

- Organizations to involve in the program include:
 - Marketing
 - Product Development and Management
 - Engineering / R&D
 - Sales/Account Management
 - Professional Services
 - Training and Education
 - Service and Support
 - Accounting/Finance/Billing
 - Executive Management Team



The Process





Survey the Customer

Survey Type	Typical Audience
Transactional Surveys	Product / Service End-User
Relationship Surveys	Decision Maker

Critical to:

- Determine who to survey and how often
- Know which voice of the customer you are hearing



Interview the Customer

- Within the context of:
 - An account management program
 - Customer pulsing program
- Initial Questions:
 - What is working well in your relationship with us?
 - What is not working well in your relationship with us?
 - If you were in charge of my firm what would you do differently?
 - Request specific examples
- Closing Questions:
 - What are the top few items that mean the most in your relationship with us that by meeting or exceeding your expectations 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 us?



Obtain Input From Customer-facing Personnel

- Includes anyone that touches the customer (typically Customer Service, Account Management, etc.).
- Suggested questions:
 - 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 what would you do differently?
- Success requires:
 - Creating an environment of trust
 - Setting expectations
 - Wading through anecdotes



Observe Customer Actions & Behavior

- Monitor customer activities and transactions on and offline with an eye on:
 - How easy it is for the customer to do business with the firm.
 - Identifying barriers to doing business with you.
 - Identifying opportunities to better meet customer needs.



Mystery Shopping

- Contacting customer service (on/offline)
- Evaluate/purchase a product or service (on/offline)
- Record/measure results



Record/Measure Results

Activity	Items to Measure/Observe
Contacting Customer Service	<p><u>Telephone:</u></p> <ul style="list-style-type: none">○ Call answer time, On hold messaging, Common greeting <p><u>Email:</u></p> <ul style="list-style-type: none">○ Response/timeliness acknowledgement○ Provide reference information○ Alternative solution paths <p><u>Web Site:</u></p> <ul style="list-style-type: none">○ Ease of use○ Self help options <p><u>All:</u></p> <ul style="list-style-type: none">○ Expectations setting○ Clarity in communications (verbal or written)○ Professionalism of agent○ Online an attractive option or obstacle?○ Common experience online vs. offline (where appropriate)
Purchasing a product or service (online and offline)	<ul style="list-style-type: none">○ Perceived level of privacy and/or security○ Ease of conducting the transaction○ Expectation setting (cost, delivery, etc...)○ Accuracy vs. expectations○ Is online an attractive option or obstacle?○ Common experience online vs. offline (where appropriate)



Involve the Customer

- Customer Focus / User Group(s)
- Board of Advisors



Analyze Information

- Analyze feedback and information gathered
 - Positive trends (what is working?)
 - Troublesome trends (what needs attention?)
 - Themes being heard from the customer
- Analyze against other information held by the firm
 - Customer demographics
 - Transactional history (inquiries, orders, service requests, web-site usage, etc.)
 - Organizational performance metrics
- Typical outcome – customer segmentation
- Categorize information for consumption by functional area
- It is suggested that this function be managed and/or performed centrally
 - Introducing the “Voice of the Customer Program Manager/function”



Socialize Results (Internally)

- Ensure that each person receives the “appropriate” level of information to do their part to positively influence the customers’ experience.
 - Top-level reporting for general awareness
 - Detail-level reporting for analysis and action-planning



Top-level Reporting

- Outlining:
 - Overall statistics, trends and themes observed
 - Action-plans that are in place
- Disseminated to all personnel via:
 - Corporate intranet
 - All-hands meetings
 - Internal newsletters/email updates



Detail-level Reporting

- Outlining results of VoC analysis
 - Overall statistics, trends and themes observed
 - By functional area of influence on the customers' experience
- Requires each functional organization to assign a VoC delegate to review and identify:
 - What is being done right (positive areas of impact and/or activities to continue)
 - What items need to be addressed



Implement Customer-focused Changes

- Management attention and commitment
- Conduct formal reviews on a periodic basis
- VoC program tracking and reporting
- Forecasting



Management Attention & Commitment

- Director and VP-level from critical organizations
- Personal review of VoC reporting
- Ensure respective area fully represented and engaged
- Identify key performance indicators (KPI) of the program, such as:
 - Customer satisfaction
 - Customer retention and churn
 - Revenue and profitability
 - Overall
 - By customer segment
 - By customer
 - Product/service diversity by customer



Perform Cross-Functional Review & Action-Planning

- On a periodic (monthly / quarterly) basis
- Participation from each organization in the program
- Goal and objectives:
 - Obtain organizational commitment to put in place action-plans to:
 - Respond to troublesome trends
 - Close the gap between current state and goal (level of satisfaction, retention, revenue, product/service diversity per customer, etc.).
 - Obtain updates on previously established action-plans.
- Facilitated by the VoC Program Manager/Function



VoC Program - Tracking & Reporting

- VoC dashboard outlining:
 - Trends for selected KPI's
 - List of initiatives defined to respond to trends
 - Forecasted impact
- Produced by VoC Program Manager
- Distributed to management levels of organizations involved in the program.



Respond to the Customer

- Let the customer know
 - What was heard/learned
 - What “has been” done
 - What “will be” done
- Immediate action required
- Implement account strategies
- Overall update to the customer-base



Immediate Action Required

- VoC activities will:
 - Generate “some” feedback requiring IMMEDIATE attention, including:
 - Irate customers
 - Up-sell/cross-sell opportunities
 - Be performed by those not “directly connected” with normal business channels.
- Requires:
 - Establishing the criteria for IMMEDIATE attention.
 - Ensuring clear process to facilitate an “effective” response.
 - Management reporting.



Implement Account Strategies

- 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
- Note: The above are key elements of an Account Management program (if one exists...).



Overall Update to the Customer-Base

- Publish a periodic newsletter (print or email).
- Post on a web-site, alerting customers via email.
- Formally institute as a key component of account management practices.
 - For all or various segments of the customer-base
- Provide an overview during customer focus group and/or board of advisor meetings.
- Provide a direct response to those that participated in a particular VoC activity (survey, etc.).



Why Fully Leverage VoC?

- Implementing the Voice-of-the-Customer model ensures that a firm's:
 - Personnel have a consistent understanding of customer sentiment.
 - Personnel are armed with information to enable their response to customer feedback and inclusion of this information in their decision-making process.
 - Customers understand that the firm has heard them and are aware of what is being done to respond to continuously improve their experience.



Benefits of Leveraging the VoC

- Improved customer experience as their input is leveraged to:
 - Make it easier to do business with the firm
 - Provide practical input to product / service development plans
- Bottom-line - ***Increased revenue and customer retention.***



About Us

Customer Centricity, Inc.

A business consulting firm that works with companies to align their resources to effectively respond to the ever-changing needs of the customer, while building mutually profitable relationships.



“Some” of Our Customers





Typical Engagements Include

- Customer service assessment
- Customer centric training
- Customer perception polling
- Customer survey design and implementation
- Voice of the Customer program design through implementation
- Contact center boot-strapping
- Business process design / streamlining
 - Lead to order to fulfillment to cash
 - Customer service / operations
- Application of technology to enhance the customers' experience and company performance
- Outsourcing evaluation (confirming if a viable option through vendor selection) & implementation
- Organizational transformation
 - Product to service-focused
 - Service to customer-focused



In Closing

Feel free to visit our web-site for additional information and resources.

Consider subscribing to our newsletter, providing pragmatic approaches to align your resources to meet the ever changing needs of your customer while building mutually profitable relationships.

To do so, simply send email to info@customercentricity.biz with “Subscribe” as the subject of your message.

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Appendix

- Suggested Steps to Get Started
- Voice of the Customer Check-List
- Illustrative VoC Calendar of Events



Suggested Steps to Get Started

- Confirm inventory/status of existing VoC activities.
 - See next slide for checklist.
- Integrate existing VoC activities.
 - Define your VoC program dashboard.
- Identify and prioritize gaps.
- Create/modify process(es) to address gap areas.
- Implement additional VoC activities per priority.



Voice of the Customer Check-List

Area	Attribute	Status Notes	Status Code
<i>Obtain Pulse of the Customer</i>	Survey the customer		
	Interview the customer		
	Obtain input from customer-facing personnel		
	Direct Observation		
	Mystery Shop		
<i>Involve the Customer</i>	Customer Focus Groups		
	Board of Advisors		
<i>Analyze Information</i>	Gathered (above)		
	Held by PMI - Customer demographics, transactions (inquiries, orders, etc.)		
<i>Socialize Internally</i>	Top-level reporting for general awareness		
	Detail-level reporting for analysis & action-planning		
<i>Implement Customer-Focused Changes</i>	Management Attention and Commitment		
	Cross-functional review & action-planning.		
	Voice-of-the-Customer tracking & reporting.		
<i>Respond to the Customer</i>	Immediate Response		
	Account Strategies		
	Overall Update		



VoC Calendar of Events (Illustrative)

Area	Activity	Month												Frequency		
		1	2	3	4	5	6	7	8	9	10	11	12			
Obtain pulse of customer	Survey – Transactional															Random/ Transactional
	Survey – Relationship															Quarterly or Twice Annually/ Customer
	Interview															Twice Annually/Customer
	Personnel															Bi-Monthly
	Observation															Ongoing
	Mystery Shop															Annually/Touch-point
Involve Customers	User Groups														Twice annually	
	Board of Advisors														Twice annually	
Analyze Information	Gathered (above) Held by Firm														Monthly Monthly	
Socialize Internally	Broadly														Quarterly	
	Specifically														Monthly	
Implement Customer-Focused Changes	Management Attention & Commitment														Monthly	
	Cross-Functional Review														Quarterly	
	VoC Tracking & Reporting														Monthly	
Respond to Customer	Immediate Response														Ongoing	
	Account Strategies														Quarterly	
	Overall Update														Quarterly	

Legend: Occurrence of each activity.

Notes: Frequency of activity may vary. Relationship surveys and interviews may touch each customer annually. If, however, the customer base is large enough there may be monthly input from these activities.

“Start-up” of a VoC program not depicted above, and can vary depending on:

- what the organization already has in place,
- where the “biggest bang for the buck” can be realized.