

The other side of the table

Customer centricity implies more than CRM processes and satisfaction surveys, says **Ganesh Nayak** of Tata Quality Management Services

Once I came across this company that claimed to have a very customer-centric culture. “The customer is everything,” said the CEO, “and everyone’s main focus is the customer.” It sounded good, but a closer look revealed that though the company had instituted many procedures, internal process efficiency measures, process manuals, rigid rules and so on, none of this was reflected in the customer experience. So was this company’s main focus truly the customer? Or was it a case of wishful thinking? How does a company go beyond processes to change behaviour?

When I ask company executives why they don’t pick up customer calls or show any proactiveness in their communications with customers, the most common reply is that it is a lesser sin to avoid taking calls from customers than to admit that there is no update on the customer’s request. This lack of proactive communication and the ‘run around’ that customers are subjected to are significant issues that turn up in voice of customer (VOC) studies.

Over the last decade, one key change in business excellence has been the rising importance of customer centricity. This has resulted in companies across the globe focusing efforts on streamlining processes that deal with customer relationship management (CRM) such as customer information databases, sales force automation, distribution, dealer management and after sales support. But though CRMs enable smooth processes, at the end of the day it is the employee behaviour that determines customer centricity.

For any company therefore, the actual desire should be to create a culture of customer centricity within the organisation. Unfortunately, softer aspects of organisational (employee) behaviour are easy to conceptualise but difficult to implement because step-by-step methodologies are not readily available in the

market. The dilemma companies face is that a good connection with customers, when not backed by strong delivery processes, can be a major ‘dissatisfier’.

Tackling experience and emotions

Customer-driven excellence (CDE) goes far beyond reducing defects and errors, complying to specifications, or reducing complaints. Customer-driven organisations are those that differentiate product and service offerings and customise offerings with a more rapid response rate.

CDE is thus a strategic concept; it results from achieving breakthroughs in organisational behaviour and from orienting internal processes to an ‘outside-in’ perspective. An example of ‘outside-in’ process orientation is that a company’s sales processes are looked at from the customer’s perspective, ie, as the buying processes.

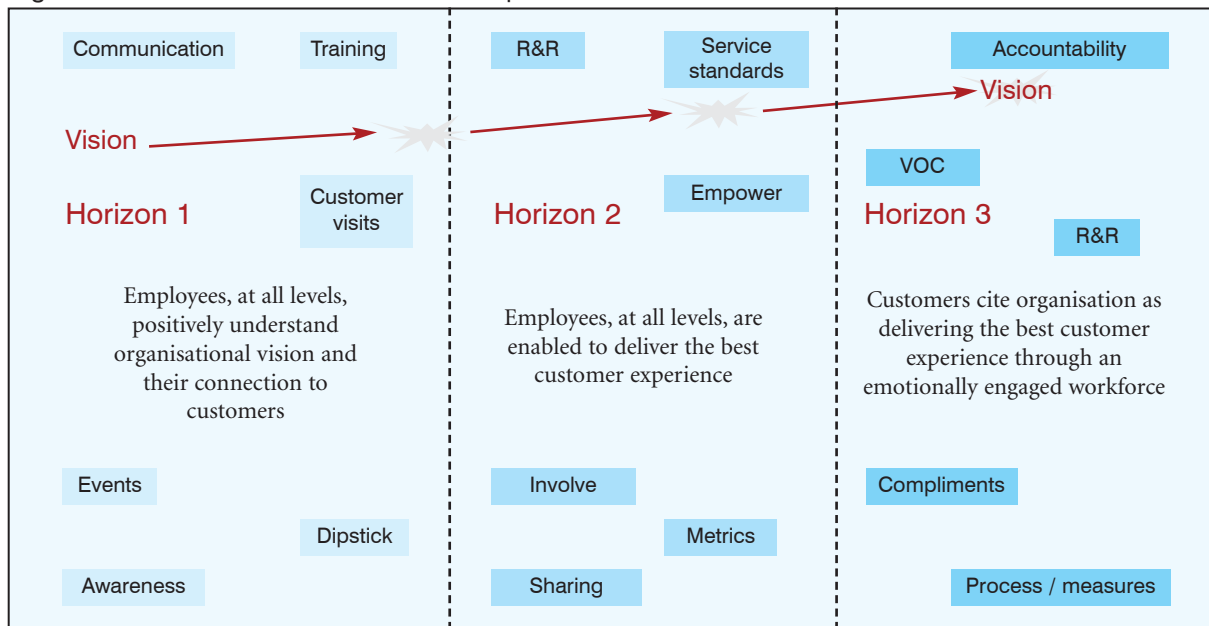
The bottom line is that a customer-driven organisation has to achieve a level where it can be considered a role model in customer orientation. The challenge is that such organisations need to evolve measurement systems to track levels of customer centricity specific to their line of business and customer profiles. World class companies track compliments — along with monitoring performance of complaints — to validate value propositions and also to motivate employees and contract personnel such as call centre agents, dealers and franchisees.

Research shows that 71 per cent of senior business leaders think that customer experience and emotions can be a source of sustainable differentiation and be the factor that tips the scales in the battle for market share.

Shifting the horizon

Organisations aiming for customer-driven excellence need to plan the journey. Fig 1 shows an illustration of the transformation of an organisation with three horizons.

Fig 1: Customer centric culture — Road map



This can be systematically deployed as follows:

- ▶ **Conducting VOCs:** These studies can generate a plethora of actionable information and strategic inputs from customers that can be used to align the organisation to serve customers better.
- ▶ **Using employee dipsticks:** While the VOC gives excellent outside-in perspectives, the employee dipstick captures pain areas which limit their performance towards customer centricity. Integrating steps 1 and 2 will generate deep insights.
- ▶ **Planning and execution:** Steps 1 and 2 aid in creating the horizon plan shown in Fig 1. A core team, essentially cross functional, should be identified to take the journey forward. Customer centricity should be a continuous process because customer expectations rise at a faster rate than improvement initiatives.

What prevents organisations from taking this process to breakthrough levels is lack of belief and commitment. Any company needs strong believers and influencers (with passion and commitment) who are prepared to expend premium time on this.

The voice of the customer

It is important to clarify how VOC studies contribute to customer centricity. One may tend to associate this with customer satisfaction surveys but there are several significant differences between the two (see Fig 2).

When we spoke to customers in VOC studies, there was one important insight. Customers feel that spending time on VOC will ultimately reduce their pain areas, and there

is an element of trust that the company will focus on this. Perhaps the greatest “customer delight” you can create is by going back to the customer offering an action plan for improvement.

Some time back, I read a research article that mentioned:

- ▶ 95 per cent of companies measure customer feedback in some form or the other.
- ▶ 50 per cent inform the employees as to what customers are saying.
- ▶ 30 per cent manage to develop action plans to deal with issues.
- ▶ Less than 10 per cent actually deploy these action plans and bring about improvement.
- ▶ Only 5 per cent go back to customers to say that they have listened and are making improvements (in the true spirit of “listening and learning”, a phrase from the Tata Business Excellence Model).

Engaging the workforce

The base of a customer-centric culture is an emotionally engaged workforce. Communication, reward and recognition, and training systems should keep this factor in mind. Usually in any organisation, the top layer is the most customer-centric; in the middle layers it starts to lose focus. Front office executives have good intentions as far as customers are concerned. This is the layer which is also easily converted. It seems that the top and bottom layers of an organisation are more exposed to the realities of the market and hence are more sensitive to the voices and noises of the customer.

A point to note is that employees cannot be sensitised to customers in isolation. Merely telling them to be

passionate about customer needs is not sufficient. What has to be ensured is:

- ▶ Pride in the organisation.
- ▶ Pride in the company's products and services.
- ▶ Doing away with protectionism and making an effort to generate excitement among employees about new initiatives, products and competitor moves.
- ▶ Courtesy to customers. Studies have shown that out of the total number of customers who complain, less than 3 per cent are unreasonable.
- ▶ Pride in the Tata brand. The extended Tata family of employees shares the feeling of achievement and excitement when any Group company hits a high spot such as the Nano launch.

Here are some unique practices for inculcating customer-centric behaviour in employees:

- ▶ Designate a few employees to act as customer advocates and take up customer issues with the organisation. This works best if the employees are empowered.
- ▶ Create a process for a 'customer heroes' programme, the selection for which can be through self nomination or via supervisors. Once criteria is defined and communicated, the selection process should be independent of designation or function. This programme can also be extended to contract employees.
- ▶ Sensitise those sections of the workforce that are not exposed to customers, to trends and concerns of customers. Involve them in a problem-solving approach to elicit ideas and suggestions.

- ▶ Involve more employees in the customer interface. Let me relate an anecdote: There was a company where the order management (OM) team was known to be insensitive to customer expectations; it would push back orders regularly, thereby frustrating the efforts of the sales team. The CEO suggested that key members of the OM team meet a key customer who had suffered several delays. The result: a 360 degree transformation in the OM team. The customer had done what the organisation could not achieve — a total customer-centric transformation.
- ▶ Obtain customer testimonials from customers whose problems have been handled satisfactorily. Screening such videos is an effective method of sensitising employees.

A word of caution: these practices cannot be one-time exercises. They have to be part of a regular process.

The power of a brand

The article cannot end without mentioning the power of the Tata brand. Dealers and customers have frankly admitted that they feel proud to be associated with the Tata brand. It often seems that employees feel less connection with the Tata name than customers. The ultimate goal would be to have a unified Tata customer-centric culture within all companies as an extension of the brand value proposition.

The CDE practice at TQMS was instituted to support companies in their drive for customer centricity (a TBEM core value). ●

Fig 2: Customer satisfaction vs Voice of customer

