



Tips for Achieving Customer Focus

BY ELAINE BERKE

Here are some proven strategies to help your organization build a culture of service excellence.

■ **Get sponsorship at the highest level.** The CEO and executive team are the most credible sources to drive a customer-focused culture.

■ **Translate customer needs into behavioral standards.** Translate data in understandable ways to the front line.

■ **Talk to employees about customer service.**

■ **Identify managers who can act as change agents, able to influence attitudes.** For employees to embrace this idea, managers must first accept this belief.

■ **Tie performance standards to service metrics.**

■ **Confront marginal service behaviors and attitudes.**

■ **Use peer pressure to stop marginal service performance.**

■ **Stay the course to improve service.**

■ **Measure customer loyalty rather than customer satisfaction.** Questions that measure customer satisfaction provide less value since they only measure the absence of complaints at a specific point in time.

Elaine Berke is founder and president of EBI Consulting, Inc., with headquarters in Westport, Massachusetts. For more information: www.ebiconsult.com

7 Ways to a Customer-Focused Company

BY ROBBIE KELLMAN BAXTER

Here are 7 techniques used by successful companies.

1. **Eat your own dog food (if possible).** If you sell clothes, encourage your employees to wear them. If you sell call-center software, use it in your call center. Even if the product isn't exactly targeted toward your average employee, try to find ways to use it.

2. **Have everyone sell the product.** Employees, from the bottom to the top, need to have some first-hand understanding of how a customer interacts with your brand and products.

3. **Include the customer throughout the market validation process.** Include customers in each phase of product development. Ask existing or prospective customers if they've ever had XYZ problem to identify the "pain point." Later in the process, show customers the value proposition or the product prototype and get their feedback on when, how, why and whether they would use such a product. Recognize that you need to be open to negative feedback if this process is to work.

4. **Create a corporate culture that doesn't require mindreading.** If a team has an idea for a new product or product feature, and it tests it and finds that customers don't want it, do not to punish the team. Customer-centric companies should be rewarding individuals who come up with new ideas and test them early on—even if the idea is wrong.



5. **Notice when a customer is using a product in a way other than intended.** Assume for a moment that the customer is right. There may be a way to add a new feature or even a new product that serves

a whole new customer base.

6. **Make it easy for customers to give feedback.** Have an 800 number on your box, a form on your Website or other means in place for customer feedback.

7. **Treat your employees well.** Former UPS CEO Kent Nelson once said, "Employee satisfaction equals customer satisfaction at UPS." Take his words to heart.

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To find out more about AMA's course on customer service, visit www.amanet.org

AMA Soundings

The AMA/HRI Customer Focus Study identified the following top five customer-related beliefs:

1. Keep promises to customers
2. Believe that our products/services are the best in the industry
3. Believe the business exists primarily to serve customers
4. Are customer-focused
5. Offer superior service

For complete findings of the survey of 1,000-plus executives, visit www.amanet.org/research

Turn General Service Qualities into Specific Service Standards

BY KAREN LELAND AND KEITH BAILEY

Implementing service standards is a powerful way of shaping the image that your customers have of you. The key is to translate general service qualities into specific service standards. General service qualities describe the basic ways you want your staff (and managers) to treat your customers. For example:

- When greeting customers, act in a friendly way.
- Be prompt in responding to customers' requests.

While these and others like them are worthy goals, they mean different things to different people. If you ask ten staff members to define what "act in a friendly way" means, you will receive ten different answers. Service standards go one step further by turning general service qualities into specific, measurable actions.

The key to developing service standards is following a four-step process:

STEP ONE Define Your Service Sequences

A service sequence is to your business what chapters are to a book. They are a means of conveniently subdividing the aspects of your service so that you can discover the specific customer encounters that need standards. For example, the basic service sequences of a restaurant might be:

- Checking in with the hostess
- Being seated
- Ordering
- Dining
- Paying the check

View your service sequences from your customers' perspective. If they looked at your business as separate chunks, what would they see?

Step Two: Map Out the Actions

Once you break your business up into its various chapters, choose one area that needs improvement. Next, map



out the major chronological actions that make up that particular customer encounter (like the paragraphs within a chapter). For example, the check-in sequence for a restaurant might include the following actions:

- Customers approach the hostess.
- Hostess asks for the customers' name and provides wait-time information.
- Hostess seats customers or informs them of wait-time, etc....

STEP THREE Determine Experience Enhancers

In the above encounter, no value has been added to the basic interaction. It is simply an accurate, step-by-step process that probably reflects how every restaurant in the world seats a customer.

To add value to the customer's experience of using this particular restaurant, you need to define the key experience enhancers. For each individual action, consider:

What general service qualities will enhance the customer's experience of doing business with your company during this step?

The first step in the sequence, "Customer approaches the hostess," is critical because your actions here make an immediate first impression on the customer. Two of the most important general service qualities at this point are friendliness and attentiveness.

Carry out this same procedure for each action until you have determined

the key general experience-enhancing qualities for each step.

STEP FOUR Convert Your Experience Enhancers into Standards

Finally, rewrite the action-by-action interaction, converting your general service qualities into specific, measurable and observable service standards.

Using the restaurant example, the rewrite might include the following:

ACTION Checking in with the hostess

Standards:

1. Smile at the customer as he or she approaches the front desk, make direct eye contact and say "Good morning," "Good afternoon" or "Good evening." This standard conveys friendliness.
2. Use the customer's name as soon as you know it. This standard conveys recognition and attentiveness.
3. If the wait is longer than 15 minutes, ask the customer if he or she would like to wait in the bar and have a drink. This standard shows initiative.

These sound simple, don't they? Well they are, but never underestimate the power of simple, consistent standards and how they can make your business a service star in your customer's mind.

Karen Leland and Keith Bailey are co-authors of the best-selling book *Customer Service for Dummies*. For more information: www.scgtraining.com

Learn How to Win and Keep Customers

Acquire the insights, skills and confidence to deliver better, faster service; increase customer satisfaction; and gain repeat business. Check out AMA's seminar: "Customer Service Excellence: How to Win and Keep Customers."

Also, check out AMA's books on customer service at www.amanet.org/books.

And download the AMA/HRI Customer Focus Study for 2006-2016 at www.amanet.org/research

The Rise of Customer-Led Innovation BY MARK VICKERS

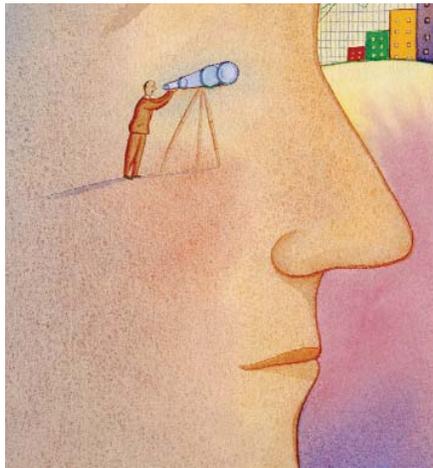
Conventional wisdom is that the role of customers is to have needs that businesses can identify and then fill with new products or services. In his book *Democratizing Innovation*, Eric Von Hippel of the Massachusetts Institute of Technology calls it the “manufacturer-centric model,” and he notes that it’s becoming less dominant in our high-tech age. What’s increasingly replacing or, at least, complementing it in a growing number of industries is a “user-centric” model of innovation that depends on customers being willing and able to do much of the creative work themselves.

Innovations that originate with customers aren’t so much a brand new trend as they are a growing and increasingly recognized one.

When it comes to user-centric innovation, the most important customers are those Von Hippel refers to as lead users.

Lead users are often power users, the customers who want to use products for their own unique purposes and so often wind up modifying those products.

In some cases, companies develop strategies for locating lead users and



then get their feedback for purposes of innovation. The office supply firm Staples, for example, worked with a company called Big Idea Group to hold a competition in which it asked customers to come up with ideas for new products, a process that resulted in over 8,000 new ideas.

In other cases, companies directly involve customers in the design phase via toolkits. For example, GE Plastics gives its customers Web-based tools, including simulation software, to allow them to conduct their own experiments

on how different grades of plastic would best suit their individual needs.

Likewise, technology such as digital music players and digital video recorders are giving people more options when it comes to media, allowing them to see and hear what they want when they want. As they grow accustomed to the power to personalize, today’s consumers are likely to expect to wield such power with a growing array of products and services.

But what happens when the customers become not just potential buyers but critical sources of a corporation’s intellectual and human capital? How should they be “managed”? How can they be “rewarded” appropriately? What are the dangers involved in redefining the traditional company-customer relationships, and what business practices must change as a result?

These are just a few of the questions companies will need to ask as they pursue user-centric innovation techniques.

Mark Vickers is senior research analyst and editor of *TrendWatchers* for The Human Resource Institute. Reprinted with permission of HRI. For more information: visit www.hrinstitute.info

Four Steps to Customer Focus BY PAUL LEVESQUE

Any process for making a business more customer-focused must encompass at least the following four key practices.

1. Management gets employees formally involved in developing their own strategies for improving the customer experience. The traditional approach to customer service training—telling employees what kinds of behaviors are expected of them, and then trying to legislate those behaviors—has a long history of failure associated with it. Businesses known for their turbocharged service champions typically use a very different approach: employees are encouraged to come up with their own creative ideas for adding value. The workers are then given the freedom

to implement their ideas on a purely voluntary basis.

2. Management helps employees implement these strategies. There are a number of different ways in which management can help. For instance, some ideas have costs associated with them, so management makes funding available. Or management makes various support resources available to ensure that the ideas are implemented in a way that maximizes customer delight.

3. Management makes it easy for customers to supply positive feedback directly to employees. The spontaneous expression of delight from happy customers is the most powerfully motivational tonic most workers can ever experience.

Management’s objective is to create as many opportunities as possible for workers to experience feelings of accomplishment, of pride and of self-worth related to the improvements they’ve made to the customer experience.

4. Management allows employees to bask in the motivational effect of such positive feedback. In customer-focused businesses, managers are careful to step back into the shadows and let the employees take all the bows. The managers create as much hoopla and internal “celebration of achievement” as possible.

Paul Levesque is author of *Customer Service from the Inside Out Made Easy* (Entrepreneur Press). For more information: www.customerfocusbreakthroughs.com



Here's what you'll find on the
AMA Members-only Website www.amamember.org

PROFESSIONAL DEVELOPMENT

The Six Essential Characteristics of Successful People. Liza Siegel, Ph.D., the consulting psychologist for the hit reality show "The Apprentice" and author of the new book "Suite Success," outlines the core beliefs and attitudes shared by those who succeed, both on reality shows and in reality.

HR/TRAINING

The Next Transformation of Work. Princeton University economist Alan S. Blinder believes that a lot more jobs may be moved offshore. But other experts predict that the dramatic cost advantages of offshoring are likely to be temporary. HRI looks at the many implications of this so-called "Third Industrial Revolution."

MANAGEMENT

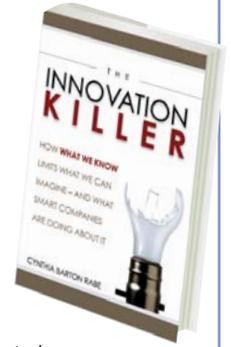
Keep Your Foot Out of Your Mouth—and Keep Your Customers Happy. Poor communication can both cause and exacerbate customer problems. Conflict management expert Dr. Andrew Edelman offers a four-step process for resolving disagreements and ensuring customer satisfaction.

LEADERSHIP

Paranoia Redux. What's wrong with companies today? For one thing, they're not paranoid enough, says Sander Flaum. Any company that's not sufficiently worried today about how the marketplace will look tomorrow risks being left in the dust.

Book of the Month:

The Innovation Killer: How What We Know Limits What We Can Imagine—and What Smart Companies Are Doing About It, by Cynthia Barton Rabe. It sounds crazy, but knowledge and experience can be lethal to innovation, writes Rabe. In her fascinating new book she recommends using outsiders to stimulate innovation.



For more information about this book and AMACOM's extensive catalog of business titles, visit www.amanet.org/books

AMA Conferences/Special Events Calendar

SEPTEMBER 8, NEW YORK • Growth Strategies for the Middle Market. Learn alternative financial capital and deployment of resource strategies and intellectual asset management. To register, call 1-800-262-9699.

SEPTEMBER 11-15, HILTON HEAD, SC • AMA's Course for Presidents and CEOs. Here's a rare opportunity for presidents and CEOs to reflect, regain their focus and hone the leadership skills that will move their business forward. This comprehensive, self-directed 4½-day learning experience also presents a great opportunity for frank and honest feedback from fellow leaders.

SEPTEMBER 12-13, NEW YORK • HSM World Business Forum. Bill Clinton, Colin Powell, Michelle Peluso, Kenichi Ohmae, Rudy

Giuliana and more stellar speakers will be at this key event. Call 1-800-262-9699 to register.

SEPTEMBER 27, SAN FRANCISCO • Structuring Alliances to Make Strategic Sense: Getting to Win-Win-Win. Best practices from Cisco and other major organizations. Here's your blueprint for developing partnering as a core competency. Call 1-800-262-9699.

SEPTEMBER 28-29, SAN FRANCISCO • Corporate Branding 2006 Conference. Network with market leaders from top global and growth brands. To register, call 1-800-262-9699.

OCTOBER 4, CHICAGO • Growth Strategies for the Middle Market. Learn alternative financial capital and deployment of resource

strategies and intellectual asset management. To register, call 1-800-262-9699.

OCTOBER 6, CHICAGO • Business Opportunities and Pitfalls in Today's China. Learn the secrets of doing business in today's China. Call 1-800-262-9699 to register.

STOP BY OUR BOOTH: Visit AMA at the HSM World Business Forum, September 12, New York City; Corporate Branding 2006 Conference, September 27-29, San Francisco; IPMA-HR Federal Conference 2006, October 7-11, Las Vegas; Administrative Professionals Conference, October 15, Orlando, Florida; Association of Financial Professionals, October 15-18, Las Vegas; and Project Management Institute 2006, October 21-24, Seattle, Washington.

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