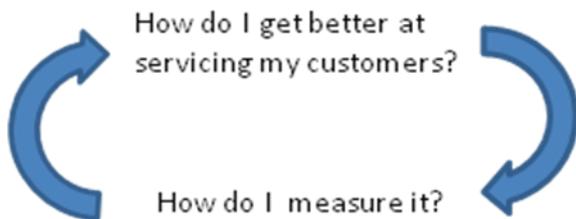


The Customer Experience Link

Sandi Hester, Partner, KMH Associates

Business journals are full of empirical evidence linking high growth companies to high customer satisfaction scores. This correlation speaks to 2 circular questions: how do I get better at servicing my customer and how do I measure it?



How do I get better at Servicing My Customers?

To be good at servicing your customers, the customer has to be ingrained in your culture. A relentless focus on the customer and a willingness to make decisions with a view to the value you are creating for them must be part of what you do every day, day after day, year after year.

While this seems like a motherhood statement, many organizations are still very internally focused. At your next leadership meeting, count the number of times your customer's needs are genuinely introduced into the conversation or considered in decision making. This is an initial indicator of how customer centric your organization might be. If the results of this exercise surprise you, remember that it's never too late to start.

Being a customer centric organization is the starting point. Without this type of culture initiatives to improve the customer experience will be met with resistance and scepticism, especially if financial investment is required. The next step excellent customer service is to know what your customer really wants and needs. I worked with a client who delivered their service through a branch network across North America and Europe. When analyzing the customer service scores of the individual branches, we noticed a pattern. Those who had low customer satisfaction scores had a low EBITDA. It was very difficult to make money with unhappy customers. However, a high customer service score was not a predictor of high EBITDA. A deeper dive revealed that the branches with high customer satisfaction scores and high EBITDA knew what their customers really wanted. Those with a high customer satisfaction score and a low EBITDA were investing in services that simply did not matter to the customer.

Understanding what your customer might want can come from many sources (sales, help desk, accounts payable, receptionist, truck driver etc.). Validating customer needs can only come from the customer. A well constructed customer survey will not only uncover what customers say they want but, through analytics, can also uncover those items that truly drive customer satisfaction.

How do I measure it?

There are seven fundamental principles which are critical to not only measuring customer satisfaction but also doing something tangible with the results.

The first principle: The customer survey should be a process not an event. Successful companies link the customer survey to their internal continuous improvement processes like Six Sigma or ISO.

The second principle: Link the customer survey to your business strategy and plan. The metrics you gain from your customer survey should tie directly back to what you are trying to achieve in the business. In fact, they should be the basis of your value proposition and innovation.

Customer survey metrics should be a part of your key performance indicators when measuring the on-going health and performance of the business. With a strong connection to corporate strategies and plans, activities to improve customer satisfaction will be readily recognized as adding value to the organization. A disconnect has the opposite effect and the organization will find it difficult to invest in areas that do not support the overall corporate goals.

The third principle: Clearly define roles in the customer experience. In general the front line teams should be responsible for delivering to the stated corporate standards. If the customer survey demonstrates that a specific team is not delivering to specification, then that team is responsible for closing that gap.

Often the customer survey will uncover that a specification or standard needs to change. This is the responsibility of the leadership team. This distinction is very important. Too often companies charge front line teams with improving the customer experience and fail to understand that the issue is a strategic gap not a performance gap. This causes a multitude of individual “fixes” across the organization which leads to inconsistent service delivery.

The fourth principle: It is important to get a 360 degree view of your customers. This means, asking for feedback at every touch point your organization has with your customer. Influencers come from every discipline of your customers’ organizations. The corollary to this principle is “right person, right question”. The survey must be designed to avoid having people answer questions that are outside their area of expertise or experience with your organization. When people are asked to respond to questions that they don’t know they answer to, they will typically answer the question based on their overall

impression. This can lead to an averaging and a lack of granularity around key topics. Right person, right question can be easily achieved with a good survey design.

The sixth principle: Invest the time to get a good survey design. This does not need to be expensive but you do need to have someone that understands how to construct an effective methodology. The design will change depending on your organization and how you interact with your customers. It is important to understand how your customer base and customer data segments, how you will collect and analyze the data, what sample sizes are required for statistical accuracy, how to ask the right questions and which questions to ask. A poorly designed survey will produce questionable insights.

The seventh principle: Communication. As with every other aspect in business, communication is the glue that makes the whole process work. Customers and employees should have complete transparency into the process. Both groups should know the key results and what is being done to address those results.

Never forget that success is as much about reinforcing and continuing the strong aspects of the organization as it is refining some of the development areas.

Sandi Hester is a Partner at KMH Associates. She has had 25 years of experience in marketing and sales leadership with a relentless focus on identifying and delivering against customer needs.

As a partner at KMH Associates, Sandi helps her clients develop and execute strong brand, service and business strategies. KMH Associates is a team of professionals focused on helping organizations achieve sustainable growth. Their unique approach combines brilliant, workable strategies with organization development and capacity building.