

# How to make a customer focused strategy work

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## The words are good but...

There was no heated discussion. In fact, most of the time was spent agreeing with each other. Obviously the organisation should be more customer focused. The directors leave with a warm glow that they are doing the right thing.

This scenario has been played out in many boardrooms around the world. So, do we all now feel like happier and better served customers? The answer in most business and consumer surveys is a resounding no. In fact, 'Customer satisfaction' has remained pretty static over the last 10 years. One survey recently stated that nearly 20% of people feel mistrust or disappointment after most customer experiences. I won't even mention Call Centres.

So what's going wrong between setting a direction to be more customer focused and actually implementing it?

## Write it down

The first step to becoming more customer focused is ensuring that everyone has a common understanding of what the term means. This may sound obvious but most organisations do not have a written definition. That's when different interpretations begin to create problems and the heated discussions really start. Here's an example of a good definition from an IT company's strategic plan.

*"Being customer focused is about creating the environment for everyone in the company to continuously learn about customers and the market. It's then the responsibility of everyone in the company to respond appropriately to what we learn."*

Many organisations also find it helpful to state what being customer focused does not mean. It should be obvious that it's not about simply doing everything the customer wants, irrespective of the impact on the business. Obvious yes, but I'd strongly recommend still being crystal clear. Here is an example from the strategy of a retail services company. "products, services and resources should be utilised in line with the organisations overall strategy as well as meeting the needs of customers".

## Building Business strategy

Most business strategies fail. This is sometimes due to the quality of the plan, but in most cases it's down to execution. However, the starting point for the 30% that don't fail is having a helpful plan. All organisations have some form of written business strategy, although the vast majority tend to mainly focus on the financial aspects of the business. Important as they are, a plan laden with financial metrics is not very helpful to communicate a customer focused strategy.

The top level destination goal for the company needs to be financial, but the strategy to achieve it must also be very clear and well communicated. Therefore, if you decide to have a customer focused strategy this single decision will drive the structure and content of your entire strategy and plan. It's not just another statement or section within your business strategy document.

There are several techniques to build a customer focused strategy, including our own DecisionDirector™ methodology. This approach helps clients create their customer focused business strategy on a small number of PowerPoint slides. Whatever methodology you use, make the plan as short as you can.

The next challenge is execution.

## Successful execution

Many consultants state that having measurements and goals are the key to successfully implementing strategy. Of course they are correct but just having measurements and goals is rather like just having a written strategy. Key steps, but no guarantee of successful execution.

Execution is also dependent upon people understanding the strategy and having the environment to implement it. This means that the customer focused strategy has to be well communicated throughout the whole company and senior managers have to be seen to be setting examples by practicing what they preach.

The final hurdle is the organisation's culture and values. The overall customer focused strategy must fit the culture and values or its execution will be difficult. To ensure that this happens organisations are putting a lot of effort into documenting and clearly explaining and communicating their values. Culture and values are no longer just a few words in the annual report.

The most immediate impact is that these organisations are now making more consistent decisions directed by their culture and values. With a customer focused strategy this consistency is even more important in ensuring successful execution.

## Does being Customer focused really work?

You've made the decision to be customer focused, written the definition, built and communicated the strategy, and matched the culture and values. Heck even your senior management are now practicing what they preach! So what does success look like and how can this approach grow revenues and profitability?

## No such thing as just an "overhead" any more

In organisations that successfully adopt a customer focused strategy managers of all departments including internal functions such as IT, Finance and HR are in regular contact with customers. When I suggest this to some companies I am told about the lack of success that they have had when taking their Financial Director into a customer to help close a deal. They're right, it rarely works. But more importantly it is not making the best external use of your Financial Director who might also feel uncomfortable about selling. After all they chose a career in finance not in sales.

The most effective way to use your managers and staff is to share their knowledge, expertise and experience on topics that they understand and care about. Customers need, and want, to talk to their peers in other companies about current issues and common areas of concern in their area of responsibility. This is a key feature of being customer focused because it also helps build a learning relationship between the two organisations.

## Where is the real proof?

If I was reading this article the cynic in me might still be asking does it really work? Is it worth all the effort? So, here are two personal examples from before I became a consultant.

The first was when I managed internal IT strategy at a large computer company. As the internal IT department we 'adopted' a major UK bank. Over 6 months we built technical and management contacts between the two companies IT functions. We even swapped staff for short periods of time. No selling or charging was involved, but due to the closer relationship between the companies and the perceived added value, sales doubled within a year.

The second example I think is even better. The company in the building next door was the supplier of our electricity and as a corporation we spent millions with them. They spent nothing with us. What we had in common was a polluted stream that ran through land that we both owned. So the relationship started by bringing together our Health and Safety functions. When the press photographed the two respective CEO's in a boat going down an unpolluted stream things could only get better. During the next year the electricity company spent the equivalent of over £15M with us.

Examples like these are being increasingly experienced by organisations who have understood what it really means to be customer focused. It's not about lunches and corporate events; it's about business meetings on current issues and concerns and helping one another in a win win environment.

Seeing life from a customer's perspective leads to increased revenues and often has the spin-off benefit of improved staff motivation. People like to help people and that's why customer focused strategies work.

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**SimplePlans**

*Helping organisations profit by being customer focused*

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