



The Real World

Own Your Customers

As someone who has been heavily involved in facilitating strategic planning processes with organizations during the last 15 years, I often find humor in the way people answer the questions I pose.

For example, when I ask executives, “What is your unique differentiation in the marketplace?” or “What does your organization really excel at?” they often reply, “It has to be our customer service.”

Almost no one will admit to being lousy in customer service, anymore than they will talk about living in an average town with average kids. It’s the Lake Wobegone syndrome. As fans of the radio show know, in Lake Wobegone, “All the women are strong, all the men are good-looking, and all the children are above average.”

As I get to know a company, I sometimes ask, “If I hauled you into a court of law and accused you of being a world-class customer service provider, would there be enough evidence to convict you?” Many times, unfortunately, their answer is, “Probably not.”

So here’s the question. If so many executives think customer service and improving customer loyalty numbers are critical to the execution of their organization’s strategic plan, why aren’t those indicators monitored with the same intensity as the company’s financials? After all, financials are usually a lagging indicator while customer satisfaction and loyalty may be leading indicators of the future condition.

In 1960, Harvard B-School Professor Emeritus Theodore Levitt wrote a groundbreaking article called “Marketing Myopia.” To paraphrase, he concluded that the purpose of all business is to attract and maintain customers while generating adequate profitability today and improved profitability in the future. That balancing act still holds true.

Organizations that still don’t see customer loyalty as a point of strategic differentiation may be looking at their business through the lens of short-term focus. Knowing and communicating the lifetime value of a typical customer to the staff can provide them a framework for maintaining customer relationships, rather than looking at them from a transactional basis.

Take the time to discover why customers buy from your company, determine expectations for their customer experience, and ensure you have processes and people in place to grow loyal customers.

We recommend that organizations take ownership of the entire customer experience and have a process in place for service recovery, if needed. Too many companies today are sliding toward the it’s-probably-good-enough operating model regarding their processes, technology, and staff.

Here’s an example. I had a car, still under factory warranty, that broke down about 25 miles from my home. While it was being loaded onto a flat-bed truck to go back to my dealer, the towing company damaged another part of the car.

The dealer was willing to go ahead and fix the damage, but the towing company wanted the damage they caused handled by their own insurance carrier. They had a local agent connected to an insurance company in Arizona. The problem was that the local agent did not have the necessary claim number or phone number for the insurance company agent handling the claim in Arizona.

Therefore, the dealer, who was willing and able to fix the car, didn’t have the information it needed to work with the towing company. As a result, repairs that could have been completed in 48 hours took almost six weeks.

The problem was that no one owned my entire customer experience—each company only owned a piece of it. Any time there was an opportunity for a hand-off where something could go wrong, the companies relied on me (with no technical knowledge of the situation) to handle the details.

This felt like lunacy to me. Where could that type of frustration be happening with your organization’s customers or in your supply chain?

Doug Brown is CEO and chairman of Paradigm Associates, based in Cranford, NJ. This national firm specializes in strategic and executive leadership development processes that create Breakthrough Thinking For Your Real World. Visit www.ParadigmAssociates.US or call (908) 276-4547 for more information.