

Are you a customer centric organization?

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Are you a customer centric organization?

By Frank Williams

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Most companies think they are. After all, don't companies hire nice people, and provide them some training? Don't these same companies intend to do their best by supplying good products, installing toll-free numbers, and generally fixing problems that customers complain about?

So what's the problem?

I contend that companies generally do not pro-actively think about the customer. Ask yourself how easy is it for your customers to do business with you? Better yet, ask your customer. Organizations don't begin to think about customer service until a customer complains. And the truth is most customers don't complain they vote with their feet by going elsewhere. What I call their silent vote.

You might be surprised to find that:

64% of customers feel companies with which they frequently interface by telephone are not respectful of their time

70% of customers will change suppliers due to poor service – today's competitive environment makes this choice easier.

It takes between 2–4 times the cost to find a new customer as to retain a customer

Reducing these customer defections by 5% could increase profits, as much as 50%

It seems clear where I would spend my time if I were the senior management of any organization. I would aggressively develop a passionate attitude throughout my organization to ensure every experience that every customer has is more than they expect – in other words seek Customer Delight in everything we do.

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Believe it or not, most organizations don't know how to start, let alone, deploy an effective customer oriented attitude and support system. It's more than one or two individuals trying their best. Or the latest piece of technology. It starts with the CEO. His or her deeds, and action towards the customer represent the standard. The CEO must believe that always doing the best for each customer will contribute significantly towards increasing the financial health of the company. Then the trickle-down magic begins. Everyone else within the organization now clearly understands that customer's not only matter, but are the reason for being in business.

Let me provide a simple, but powerful example.

When I was a young salesman visiting Bob Collins, CEO of GE Fanuc, he was made aware of some poorly manufactured product. It was an honest mistake by the manufacturing group. Not all products

were impacted, but Bob immediately halted all shipments and instructed his people to pull everything back out of inventory and retest it before shipment. This all seemed to be the prudent thing to do. However, his people told him that they couldn't retest everything and still make shipments for the month. Further, they would surely miss their quarterly, and perhaps yearly shipment goals.

Bob clearly understood his decision would negatively impact his financial results. In fact, revenue goals, employee bonus, and profit would be effected. To me it seemed like a tough decision, but Bob made his decision without hesitation. He would retest everything. In a blink of an eye, people moved to implement his customer-oriented choice.

When I quizzed Bob on how fast he made this decision, he said, "My customers best interests always comes first". "If I serve their interests, they will reward me time and again with their business", he added. It may seem trite, but Bob meant it and more importantly, his organization knew he meant it. I believe this was part of Bob's CEO makeup and helped propel GE Fanuc to consistent double-digit growth with above industry profit returns.

So what's the message?

Understanding your customer and driving that customer orientation into every aspect of your organization pays dividends time and again. Successful organizations know that it's everyone's job to work for the customer. It doesn't matter if they are a first year accountant or a long-time maintenance person; each has a part in driving your organization to provide exceptional customer service.

Now the hard part. Moving your company to a level that routinely provides Customer Delight is a never-ending and on-going process, not an event. How often have you heard someone in your organization suggest that they could get more work done if they didn't get interrupted with telephone calls from customers. Or someone in order entry exclaims, " what a jerk that guy is, doesn't he understand we're doing our best". Get radical. In both cases I would fire the person or the individual responsible for training and supervising that area.

My final advice is to begin today. As Bob Collins would say. Your customers will reward you time and again with their business.

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Frank Williams is a marketer. With many post graduate courses in management, leadership, marketing and technology to his credit, Williams is a widely respected speaker, author and technologist. He has significant knowledge in marketing strategies and is the founder and CEO of Global Marketing, Inc. – a leader in business, marketing and sales consulting. Other valuable articles can be found at: <http://members.cox.net/glmarketing/glmarketing/index.htm>

Why Bother With Customer Centricity?

By Brian Vellmure

"The absolute fundamental aim is to make money out of satisfying customers" – Sir John Egan

Hi Friends,

CRM Magazine recently asked their subscribers "What is the number one concern that keeps you up at night?".

I found it interesting that none of the responses resembled anything like: "My kid is failing out of school", or "My spouse works too much", or "I can't make the mortgage payment". Oddly enough, all of the responses were CRM related. Go figure.

Nonetheless, the results were as follows:

Creating and Maintaining Customer Satisfaction: 27%
Providing a Return on Investment: 27%
Maintaining User buy-in and enthusiasm 16%
Cementing Customer Loyalty 15%
Finding the right CRM Tool 6%
Keeping up with CRM Innovation 4%
Respondants who sleep soundly 5%

Today, I'd like to focus on the number one reason that people are not sleeping at night, "Creating and Maintaining Customer Satisfaction". We'll talk about the other number one, ROI, in a few weeks. But, first, I'd like to take a step back and observe some findings from another study.

In a survey conducted by CRMGuru.com, it was discovered that having a Customer-Centric Strategy was the most important driver of success of any CRM implementation. A few weeks ago, we illustrated that Customer Loyalty had significant impacts on both the top and bottom lines.

So how do each of these pieces of the puzzle fit together? What is the relationship between Customer Satisfaction, Customer Loyalty, and implementing a Customer Centric Strategy?

Customer Satisfaction and Customer Loyalty are two golden keys to giving your company competitive

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advantage. Building and implementing a Customer–Centric Business Strategy is created with the intention of increasing both your customer satisfaction, and customer loyalty.

If you aren't yet sold that Customer Loyalty is important to your business, please click below

The first step in implementing a customer centric business strategy, (or any other initiative) is to take a snapshot of where you currently are. This makes it possible to measure your progress along the way. The two main benchmarks that can help measure the success of your initiative are:

1. WHAT ARE YOUR CUSTOMER SATISFACTION LEVELS?

How many of your customers are satisfied with the products and services you are providing to them?

2. WHAT IS YOUR CUSTOMER ATTRITION RATE?

In other words, how many of your customers are defecting and choosing your competitor's products and services.

The second step is looking at 5 key areas in developing your customer centric strategy. I have listed a few things to consider in each area:

1. Overall Business Strategy What are your customer's needs? Spend more time understanding this, as opposed to trying to get your customer to interact the way you want them to Focus new product development around customer feedback

2. Organizational Issues Senior management committed to leading company through organizational changes Sales, Customer Service, and Technical Support given incentives to work together to provide outstanding customer service Move majority of CRM technology selection authority from IT to "business" decision makers

3. Work Processes Build and modify work processes around servicing the customer better Work hard at increasing efficiencies, streamlining processes Seek to be the Low–Cost producer in your industry

We focused on this in our last newsletter. If you missed it, please click below

4. Technology Consolidate all customer related data into one repository Integrate key front–office, back office, and web office systems to interact with each other Choose leading technology with capable vendors to assist in the process

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To learn more about us, and how we can help you implement a Customer–Centric strategy, enabled by the world's leading Mid–Market CRM software, visit us at

5. Training and Support Provide your staff with excellent training Budget time and resources to make sure they are confident with the new system Adjust compensation incentives to encourage use of new systems, and transition sales focus from new customer acquisition to retention

"Being customer centric focuses your business decision–making processes on the impact that those decisions will have on your customers. The real trick is making the "right" decisions that result in a positive impact. In order to do that, the organization needs to understand who its customers are, where they are going and how can the customer's needs be met. That type of understanding requires information, and information comes from data." says Kevin Murtha of Greenbrier & Russel's, in an article in the September, 2002 edition of DM Review.

It is essential for your company to be able to have the systems in place to be able to capture, analyze, and share the information about your customers so that you can be more responsive to their needs, provide them with unparalleled service, and keep them as customers for life.

Initium Technology wants to help your organization become more customer centric. By establishing the proper strategy, accompanied by a succinct vision and comprehensive business planning, we can implement the best technology solutions on the market today to increase the value of your organization, and help you gain competitive advantage in today's challenging marketplace.

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Wishing you overwhelming success in 2003,

Brian Vellmure
Initium Technology
bvellmure@initiumtech.com

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Brian Vellido is CEO and Founder of Initium Technology, a strategic technology consulting firm specializing in CRM, ERP, EAI, and custom Web and Portal Design. Mr. Vellido has personally helped dozens of companies in a variety of industries properly formulate visionary strategies and strategically implement market leading technology to enable precise execution of the those strategies.

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Financial Services Marketing Insights: A Marketing Compass

Increasing Sales with Customer Interaction Points

The Importance of CRM

How to Increase Your Profits by Cultivating Your 'Top Ten Percent'

Gate Crash into the Interior Design Industry.

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How to Gain and Retain More Customers

About Niches

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