How to Really FOCUS on Your Customers

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You've likely never seen an organization that doesn't at least say it focuses on its customers first.

They're the lifeblood of any successful business, and that's why everyone insists they're customer-focused.

However, just saying it isn't enough. A truly customer-focused organization doesn't just talk about customers' needs in passing while spending all its organizational resources on maintaining the status quo.

Instead, it takes a fundamentally different view of its end-to-end operations—taking a customer-back perspective on how to orchestrate and execute all activities along the customer journey from sales and marketing to supply chain and customer service—even to its internal functions.

This mindset represents a different way of organizing your business, and a successful shift to this thinking will include examining your organizational model, reviewing your key processes and metrics, and freeing the people on your team to listen and adapt to customers' needs dynamically.

UNDERSTANDING THE OLD MODEL VERSUS THE NEW

Most businesses have set themselves up so that they are good at selling to the customers, but not at truly understanding why the customer wants to buy.

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The entire structure of the sales organization and everyone on these teams are focused on understanding the products they sell and the easiest way to push them out to people. The customer's role is to be the one who hands over money for the product. This often results in a war of attrition, where the target is bombarded until it relents. It's not a model for great service.

In contrast, a truly customer-focused organization functions almost entirely in reverse of this model: It starts with what the customer needs. Significant emphasis is placed on truly understanding the customer needs and how the company is uniquely positioned to address those needs and then adapting products and services to fit the needs on the customer's own terms.

Sales, marketing, the supply chain—and even typically internal functions like finance—need to work from the customer back to dictate how they should function.

What sets a company apart is that the whole organization works to define who the customer is and how they're going to be served, and they orient themselves accordingly with this primary purpose.

Successful, customer-focused companies condense this difference into three elements:

• Every part of the business defines its role in relation to how customers can best be served based on their stated and anticipated needs

• Every process and interaction is designed to improve customer service

• Data collection and algorithms are continuously refined to understand customers and their needs, and to evolve processes to further the goal of high-quality customer service

REVIEW YOUR PROCESSES

Thinking about the metrics used to judge a process's success can help most organizations understand this structural difference a little better. Operational metrics should always keep the customer as the focus—and it can be easy to see if you're hitting that target when you start thinking from the customer's perspective.

Customer service call centers, for example, don't generate revenue for most companies, and they often look at their costs per minute as their core metric. The goal, in that case, is to get off the phone as quickly as possible to minimize the average cost per call. The idea of actually solving customers' problems on a holistic level is secondary, at best.

That means they don't track what matters to the customer: solving the problem. If a person has to call again to resolve an issue, that's more of the call center's time and a greater cost to the company. It gets worse if the issue spans multiple products or departments.

Companies that do customer service right figure out how to create an end-to-end view of the product and service segments to see where the issue arises. Then they work to solve each problem so the customer is pleased. For a call center, the focus no longer is on getting off the phone quickly, but instead on resolving the issue so the customer has a good experience and doesn't need to call back. That's also what the customer wants.

In this model, this leader's job is to orchestrate cross-functional collaboration to keep the customer orientation. Rather than each function being optimized to meet its own objectives and ways of working, the functions are encouraged to work together in an end-to-end model, whereby metrics, processes, and governance drive collaboration across functional silos to meet the customer objectives.

For leadership, there are three clear steps you can take to implement this mentality in your organization and keep customers as the focus of your operations:

STEP 1: Redefine your metrics. Becoming a customer-focused organization starts with being very clear about the customer needs you're meeting through your products or services. Every element of the business needs to reconsider its metrics to ensure they relate to the customer.

Your mission is to determine the effectiveness of your organization and each component within it in terms of serving customers. Enterprises then end up with two kinds of metrics: one that directly relates to the customer and one that relates to the efficiency of the organization's services. Discard any metrics that can't be tied directly to these two items.

Look for ways to link technology, people, and processes. If these are disconnected, you're aggravating customers instead of delighting them. Start by thinking of the frustrations your customers face and how you can reduce them.

STEP 2: Segment customers appropriately. After your metrics are defined, they need to be applied to actual customers. Treating customers as individuals often works best for both the company and the customer.

In our call center example, the agents themselves are measured on how quickly they get off the phone, whether that means ending a call directly or passing the caller to another department. But if you as a caller are transferred three times, you are likely to be aggravated—and you could well be more expensive to the company overall because you have to repeat questions and steps with multiple agents.

If the call center's metric were to treat the caller as an individual instead, the process would operate differently across the entire call center.

Southwest Airlines is among the companies that do this with the help of data. It looks at individual customer statistics and problem-resolution metrics, not just how much time was spent on the phone. If you call as a customer, Southwest's system quickly identifies you and provides detailed data on your account.

The airline already knows your current or upcoming flights, travel history, and preferences, thanks to a system that links accounts with phone numbers. With that information, the agent who responds to your call is able to begin tailoring his support to you as an individual even before the conversation begins. This approach can speed up problem resolution by having travel information ready or by preparing to send you to the department most likely related to your issue. Valued customers are far less likely to be dropped into organizational silos where they have to be transferred repeatedly to get a question answered.
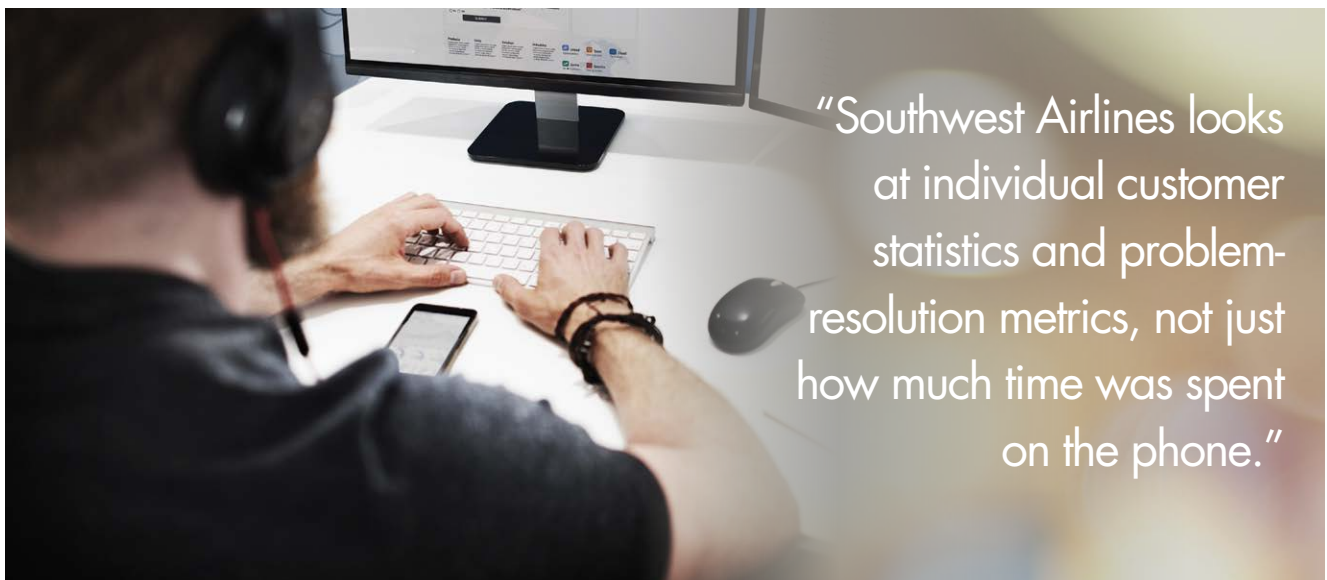
The result is a system that seamlessly prioritizes customers based on their relationship and needs.

STEP 3: Let your staff work their own magic. The last step is to build ownership into everything your enterprise does. Metrics, customer segmentation, and touchpoints all need someone to be accountable for them to ensure that the system keeps customers front and center.

Steps 1 and 2 focused on metrics and company structure, not employees, for a good reason: Your team is likely already capable of handling this. Leadership just needs to keep things on track from a broader standpoint.

Most of your staff are naturally going to be pretty good at customer service. It's the company that turns a staff into bad customer service people.

Companies often get in the way of those natural skills by setting strict protocols for interacting with customers. Those rules are often built on a particular person's idea of good service, with no room to adapt to individual needs or

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preferences. Under this setup, employees won't listen to the customer; they will react to a request for service by going through a checklist they've been told to follow.

You can change this mindset through smart hiring and training. Accountability comes into play here to determine the right training and skills and to make sure metrics help evaluate effectiveness. In most cases, training will involve teaching people to hear what the customer is saying.

PREPARE TO REALLY LISTEN

Training on effective listening is probably the most underrated thing that can happen to fundamentally change an organization.

B2B selling is often particularly weak when it comes to listening. In our research, we've found that many B2B salespeople will move into a pitch regardless of what the customer says. The lead on the phone call might say their world is coming to an end or they think they have cancer and are going to die tomorrow, but the sales rep will still say, "Would you like to see our demo?"

This sales rep ignores everything about the potential customer and his or her situation because whether or not he makes a sale is the only metric that matters to the company, and therefore to him.

Your sales process should allow reps the freedom to connect and empathize with the person on the call, not penalize them for staying on the phone too long without moving to the next stage.

DEVELOP A DEEPER UNDERSTANDING OF YOUR DATA

You're continuously collecting information about your prospects and customers; the challenge is turning this information into actionable insights.

Companies are creating algorithms for customer understanding and refinement, but they're all over the place. In most cases, they're based on transactional information, not human interactions. They miss the broader picture and fail to be customer-centric because they don't capture all—or enough—aspects of the customer.

Human interaction involves both structured and unstructured data. For example, there are the words you say (structured), and then your tone of voice and the meaning behind your language (unstructured). Bringing all of these components together is a critical skill that is absolutely lacking in many companies.

Because of the connection of data, customer service, and training, an enterprise might require a new role that oversees these different segments: the chief customer officer.

AVOID THE MOST COMMON PITFALLS

Without customer-centric leadership, a company's well-meaning initiatives can quickly lead to poor service.

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Failures often happen in areas where the customer focus is only surface level, such as when a focus on products drives customer interactions or when companies don't personalize offers or options.

The first concern comes from focusing only on the "front door" where the sale happens. Putting all your efforts in this area means you're skipping potential issues in manufacturing, service, delivery, and operations. And if you miss an issue early in the process, you're extremely limited in your ability to solve it at the front door.

Organizations can also struggle when they think primarily about selling whatever they have to sell rather than what customers need or want to buy. A lack of data is a common culprit here, so the solution is often to start listening. Customers are talking, and so are the people in your organization. Today's connected products and services count as "talking." Gathering this data by listening can help you learn what customers actually want instead of guessing.

Staying one-size-fits-all is another potential failure point. Many enterprises think they need to create a single item that will be considered a failure unless it's scalable to serve all potential customers. You can see how this mindset is wrong by the way large companies are attacked by start-ups and other niche organizations.

For example, Unilever bought Dollar Shave Club for $1 billion in 2016 because of that company's success. But Dollar Shave Club didn't market itself as being better than Gillette; it simply asked whether customers could afford $1 per month. It targeted a specific segment of people who shave, and that was a niche that let the company grow steadily with different offerings.

It's time to examine your own metrics, process, and people to determine whether your company is on track for being truly customer-focused. Organizations that embed this mindset into everything they do and that empower people in each department to think about these questions have a much greater potential for success. AQ

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