

Customer Management

“Back to Basics”

Abstract

Mark Hollyoake of Springboard Consulting Services and Peter Lavers of WCL Customer Management consider how organisations should take stock of the changed market conditions in which we operate in 2011, and how going back to the sound fundamental principles of customer management will help businesses positively respond to and serve a more sophisticated, savvy and demanding customer base.

Emerging from recession - just!

Our senior leadership research indicates that the economic crisis has resulted in many businesses being overly focused on internal operational efficiency; and that this phenomenon is now prevalent in the public sector.

This was brought about by an ‘all hands to the pump’ mentality - to manage the organisation through a period of uncertainty that was unprecedented in the working lives of most executives and managers employed today.

Your market has changed - but how?

Now, with companies emerging from the crisis and looking outward again, they are trying to come to terms with the changes that have occurred. Some may have emerged from the global crisis yet still face geographic or sectoral recessionary pressures - how many times have you heard “if it wasn’t for China we’d have been done for”, or something similar?

Even businesses that have prospered in the recession are reporting that their market has changed. As we emerge into this new environment it is important to **take stock of the context** in which our business now finds itself.

Macroeconomic, political, fiscal, social, technological, sector and market shifts present both opportunities and threats. Important trends that directly affect business have continued unabated despite the recession such as web & mobile access; channel shift & proliferation; social media; brand stretching (and jumping); urbanisation, etc. Other trends come and go before the organisation has been mobilised to capitalise upon them.

Customer behaviour is key

The direct link between these unstoppable, uncontrollable, fast-moving phenomena and your business’s performance is **customer behaviour**. Your **flexibility** enables you to make the connection between them.

Customer behaviour (B2C and B2C) also cannot be ‘controlled’, but can be influenced and ‘managed’ - as we assert below.

“Customer Management – back to basics”

Our research shows us that many B2C and B2B business leaders believe that it's now time to re-engage with their customers. They concede that they have overlooked customers in their fight for survival and in making across-the-board cuts, and have done things that in hindsight weren't in their - or customers' - best interests. This has compounded their problem, particularly in established markets where indicators of 'trust' are very often pointing in the wrong direction.

Changing the past isn't a viable option for problem resolution, so how can business leaders positively address these issues?

The Fundamental Principles of Customer Management

We have reviewed the plethora of papers, articles, newsletters, blogs and tweets about customer management (CM), and are concerned that sight is being lost of what it's all about! Much of what we read is about tactics to improve aspects of CM and not getting left behind in the digital revolution. Less of what we read is about overcoming silo'd ways of working, joining up customer experience delivery and (re-)earning customer trust.

So, what do we mean, when we say "Back to Basics"?

1. Acquiring, retaining and delivering more value to target customers - profitably (hard-nosed customer behaviour-based drivers of bottom-line value)
2. Aligning the organisation, and its channels, products & services around current and future customer needs & aspirations (often called customer centricity)
3. Keeping focused on delivering what we promise, thus earning the right to request loyalty, and cross/up sell other products
4. Treating customers like people so that they don't feel 'processed'

We would further assert that these fundamentals are valid and enduring - irrespective of the economic climate or maturity of the market. And yet many business growth/recovery strategies and 3-year plans still reflect the pre crisis world, failing to address the basics (people, processes, systems, data, quality standards). **These are the areas where change is required.**

How have businesses responded?

- Clients across sectors are realising the implications of channel proliferation to their expensive physical infrastructures and are developing proper Integrated Channel Strategies
- Several auto clients have taken the opportunity to completely re-evaluate and refresh their CRM strategies
- A large group organisation (B2C and B2B) has identified the need to use such principles to raise their game across their subsidiary businesses
- Clients across sectors are re-mapping customer journeys to better 'deliver the basics'
- A B2B client has identified co-created innovation as a key driver of added value to client relationships. They have thereby helped their customers realise cost savings, increase effectiveness and maintain retail pricing in the face of stiff competition
- A Financial Services company is re-balancing its strategy/scorecards to be less numbers/ targets focused and build in more **basic** service and customer experience objectives

Have you changed?

In many instances the economic crash presented an opportunity for fundamental change (the alternative was oblivion!). The crisis provided the 'burning platform' impetus to push through positive change that would have been difficult to realise in calmer times.

"Customer Management – back to basics"

If you were brave and ‘went for it’, gaining share through the crisis, then how will you hold onto this position and grow it?

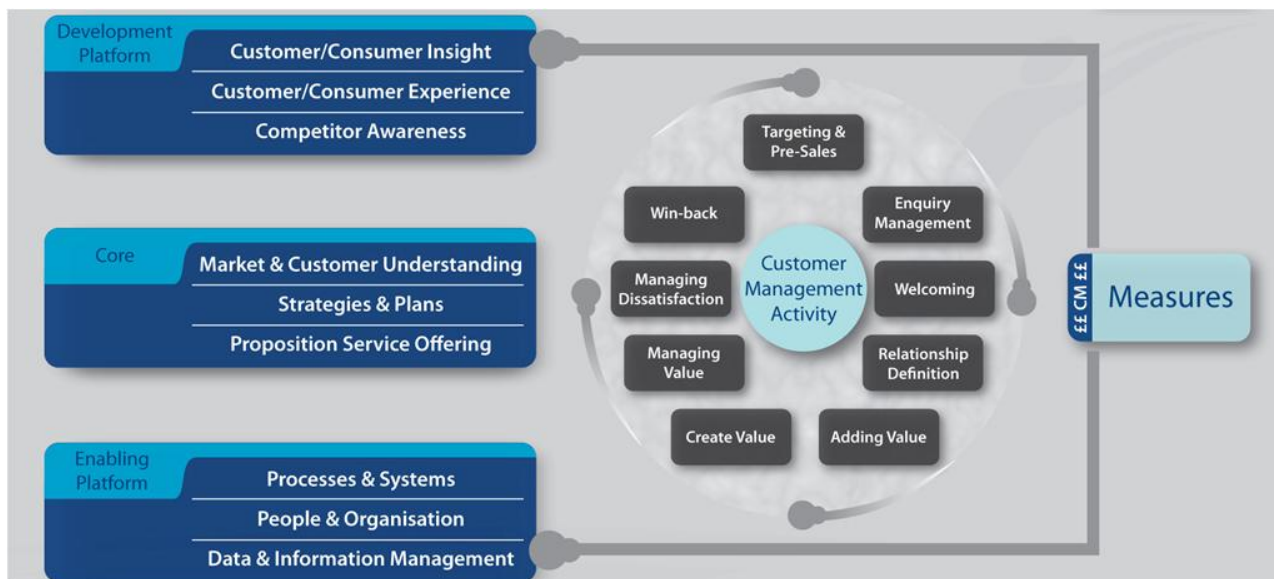
If you focused on purely surviving and lost ground and customers along the way, then how will you get them back?

Business leaders need to ask themselves some tough questions:

- *Did we take our opportunities to reinvent ourselves and/or transform how we do things, or did we muddle through/rely on one market to save us?*
- *Have we got the fundamentals of CM right, or are we playing around the edges?*
- *Just how much of our infrastructure is - or soon will be - legacy?*
- *Are we doing what our customers need?*
- *Are we taking for granted our customers’ trust and loyalty?*

Will you change?

We believe it’s time to take your customer management **back to basics**. Strip it down, ensure it is fit for purpose and then put it back together in a way that meets the needs, wants and aspirations of your current and potential customers in the new market context.



An approach that can help you do this is our Blueprint for Engineering Customer Management (BECM). This is a cost effective check up of your current capabilities vs best practice and your customers’ requirements.

It delivers a practical blueprint for improvement that will ensure that the fundamentals are not only in place but will deliver enhanced business value.

For more information or a meeting to discuss this approach further, please contact Mark Hollyoake at mark@springboardcs.com or Peter Lavers at peter.lavers@w-c-l.com.

“Customer Management – back to basics”