

GROW



An Eye For The Customer:
Doug Leather helps companies build customer commitment

[SNAPSHOT] Success in Sight

REALISING SUSTAINABLE COMPETITIVE ADVANTAGE THROUGH CUSTOMER MANAGEMENT

BY JULIET KOEMAN **CUSTOMER MANAGEMENT IS** one of the only real areas of sustainable competitive advantage available to businesses today. That's according to Doug Leather of REAP Consulting, which specialises in customer management assessment and optimisation. It's a true enough statement, yet the majority of businesses fail dismally when it comes to making use of the competitive advantage that proper customer management can afford them. "The brutal

reality," says Leather, "is that most organisations have no idea what customer management means. It's not enabled on any kind of strategic level."

REAP's approach to customer management is underpinned by research and methodology that has been used by 740 organisations across multiple industries around the world. Its local clients include Woolworths, Nedbank, Volkswagen, Standard Bank and MTN. REAP looks at customer management across an entire business, with the

[EXCEL]

SHARPEN YOUR COMMUNICATION SKILLS

ENTREPRENEURIAL LEADERS NEED COMMUNICATION SKILLS FROM DAY ONE. DO YOU HAVE THEM?

Start-up entrepreneurship is essentially a leadership job – with no resources, you must persuade and inspire to get things done. Your communication skills will be key throughout the process.

You can always recruit a partner to be the communication guru of the enterprise, but even that means selling your prospective partner on the idea. You have little more than an idea and need to enroll someone to help make it real. You won't have a salary to offer them. You won't have a lovely office with nice perks. You'll just have an idea and faith.

Your ability to raise money will hinge on your talent for sharing your vision with prospective investors and persuading them that the vision will make money. Once again, this is a sales job that requires you to hear their needs and craft a response that answers their concerns persuasively.

After securing your money, you'll be hiring people and getting your team in shape to move forward. They'll need to know what to do and how to do it. As the ultimate team leader, conflicts will be yours to resolve. You will need to be able to draw out and understand each side of a conflict, find a common ground, and then persuade the parties involved to reach that common ground. The better your communication skills, the ▶



aim of creating a consistent experience for customers at each and every touch point. Getting this right requires commitment from leadership to the strategic implementation of a customer management plan, something that few organisations have. As Leather says, "If organisations even have a published customer value proposition, it's been developed by the marketing department with no real cognisance taken of what is important to clients. It's a series of flowery words that are absolutely meaningless to the customer and their experience of the organisation."

The point is to build loyal customers. "A committed customer is very different to a merely satisfied customer," Leather adds. This is interesting, considering that most organisations' customer management efforts focus on customer satisfaction. "A satisfied customer is not committed to your brand – they will still buy an alternative product. But a committed customer selects a brand irrespective of price. They become brand advocates,



refer others to your company and tell great stories about your brand."

He adds that customer satisfaction is only one part of customer management. And because customer satisfaction surveys usually deliver an aggregate satisfaction score across a random sample of customers, they assume that all customers are the same. "They are not," says Leather emphatically. "Customers are different and segmentation of your customer base is critical." Looking at different categories allows you to assess loss and retention ratios and implement specific strategies to increase customer spend, commitment and satisfaction in each group.

"You need to be able to influence customer behaviour," says Leather. "You want your customers to be more open and susceptible to your message, to use more of your products and services. To achieve this, you have to build committed customers by creating a unique and consistent customer experience at all touch points. This experience needs to be both physical and emotional – that is what makes people say 'I want this brand only'," he explains. Employees are a vital component of this "line of sight" approach from customer influence to customer commitment to customer experience, as Leather defines it. "You cannot be customer-centric if you aren't employee-centric," he adds.

It's incumbent on employees to deliver your customer promise but, as Leather points out, apart from an initial training and induction programme, few organisations take the time to engage employees on how to deliver to customers.

Online retail in SA grew by **20%** in 2005

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Employees need to be familiarised with the design and delivery of the customer value proposition – their buy-in is critical to the success of building committed customers. It's also important to get their input on what the business requires to deliver a consistent customer experience. Employees – especially those who interact daily with customers such as call centre agents – are a power-house of information about where the gaps are, yet so few organisations use this information. "Costly, broad-based market research can be greatly enriched by simply listening to what employees have to say," he says. □

[RE-INVENT] Bounce Back



OVERCOME ANY CHALLENGE THROUGH THE POWER OF POSITIVE THINKING

BY ROMANUS WOLTER **SCIENTIFIC RESEARCH** has shown that people who have a positive outlook recover from surgery faster and suffer less pain when they are ill. The same is true for entrepreneurs. Thinking positively enables us to find creative solutions to challenges that are so thorny, they stop other people in their tracks.

You can learn to achieve success by always considering new ways to accomplish both your business and personal goals. Your positive outlook will inspire people to purchase your products and use your services. In turn, they will refer you to others who will contribute to your business endeavours.

Try these tips for developing a positive attitude in order to achieve success:

1. KNOW THAT YOU ARE A SUCCESSFUL ENTREPRENEUR. From the moment you conceive of a new idea, refuse to believe that there is any circumstance strong enough to deter you from reaching your goal. You need not rely on testing or public opinion to trust that your idea has merit and will be successful. While these actions may lend your ideas viability, they do not control the destiny of your dream – you do.

2. FREE YOUR IMAGINATION TO EXPLORE ALL POSSIBLE ANGLES AND SOLUTIONS. Never look for excuses. Instead, investigate all possible solutions to your problems. Simply by seeking answers, you will ignite your imagination and develop unique, workable solutions. Do not immediately judge those ideas that come to mind. Have the courage and the belief in yourself to consider all possibilities, even in seemingly impossible situations.

3. BE PERSISTENT, AND TAKE ACTION. Train your brain to take action on the unique solutions you devise. One small step starts you on your journey towards making your idea a reality. Experiencing real results builds your trust in yourself and makes you a better problem-solver. After taking your initial action, trust your instincts, and your next step will become apparent. Reward yourself for positive thinking by celebrating each time you successfully complete a task.



4. DELIBERATELY SPEAK POSITIVELY. Remove negative thinking from your life by changing your interpretation of events. Rather than immediately focusing on what could or did go wrong, stop and consider possible positive outcomes. The loss of a sales channel, for instance, could free up time for you to develop a new, bigger customer. This positive outlook forces you to think successfully and, more importantly, opens the door for others to share their ideas with you.

5. STEP OUTSIDE YOUR CURRENT ENVIRONMENT FOR SERIOUS THINKING. By changing physical environments, you can leave behind the baggage of how you have completed tasks in the past. Going out to a coffee shop or your backyard can help you think more clearly and provide you with new inspiration. To enhance your brainstorming efforts, invite a trusted colleague to participate. This human connection will provide you with excellent insight into the creative-thinking methods of your business contemporaries.

Remember that positive thinking is contagious. When someone says, “that’s impossible”, smile and believe that if you dream it, you can accomplish it. This type of positive energy will guide you towards the realisation of your next goal.

Speaker and consultant ROMANUS WOLTER, aka “The Kick Start Guy,” is author of Kick Start Your Dream Business. © Entrepreneur Media, Inc. All rights reserved.

◀ more you will be able to meet the challenge.

Eventually, it will be time to start selling your product or service. The entrepreneur is often the one who romances major customers, identifies and pursues distributors, and spends time with end customers understanding how the company’s offerings match up to the need of the players in the marketplace. You’ll be giving presentations and talks. You’ll be calling and answering calls. And all the while, you’ll keep your eyes and ears open for market trends, competitive information and anything else you can glean about the workings of the business.

Periodically, unless you funded the business yourself, you will have to update your investors on how the company is doing. You’ll be writing (or at least helping to draft) investor communication. If you have an annual meeting, you will be expected to stand and give a “state of the company” address and take questions afterwards.

So you will need good communication skills to deal with every major stakeholder – your team, employees, vendors, customers and investors. Although it isn’t rational, how you communicate often leaves more of an impression on people than what you’ve said. Spend the time to develop strong communication skills, and you’ll greatly boost your chances for success.



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