

Retaining old 'C' and attracting new 'C' ... It's all About *CUSTOMER*

[Based on the presentation by Mr. Bruce Searles, that was held on 14 October 2014 entitled Engaging you with the Global Benchmarking Network (GBN) on Effective Customer Relationship Management (An Australian Experience)]



Speaker of the day

Mr. Bruce Searles is a Managing Partner for Benchmarking Partnerships, Australia and Director Business Development of Global Benchmarking Network (GBN). He has facilitated over 70 different benchmarking studies involving over 800 organisations in Australia and Asia. His areas of studies include Innovation, Project Management, Risk Management, Senior Executive Leadership, Internal Communications, Leading and Managing Change, Telephone Call Centres, Supply Chain Management, Construction Industry, Food Risk Management and Safety, Client Service & Satisfaction. In his presentation, he had shared his valuable experiences on managing customer relationship in a bigger perspective.

Today, customer centricity has emerged as the buzzword to connect ourselves with our customers. What is the customer centricity is all about?

Customer Centricity is about how company optimising and aligning its resources, processes and structure to effectively meet the needs of customers. The Business Excellence Framework (BEF) has highlighted that customers are very important and needs to be managed effectively for business sustainability. At the beginning of reinforcing the values of customer centricity, it must happen at all levels from top to bottom. These values must be actionable to your employees and measurable so that we can keep track on the performance for future improvement. The leaders play major roles to ensure that the principle of customer centricity has been accepted throughout the company. They need to embed and grow the customer philosophy at the heart of each employee and react accordingly. The right tools of communication will leverage on the employee engagement towards enhancing customers' satisfaction.

The leaders must also provide strategic direction that can be applied and ultimately lead the company to move forward in retaining existing customers and attracting new customers. Finally, the leaders have to underpin cooperation and collaboration that will improve involvement of all departments and to avoid them operate in silos. This is very crucial as customers are now more relying their experiences across all departments in the company and not just the product or services that they receive from company. Customers are becoming more demanding by looking at the company vertically rather than horizontally. This shows that customers are expecting the company to have strong inter-connection between all departments that will help to boost customers' satisfaction. In addition, we must also educate our supplier to really understand the customers' requirements. We have to treat the suppliers as part of the company's member by helping them to develop their own customer centricity. This will allow them to provide better products or services that will enable us to enhance our customers' satisfaction in return.



How the Business Excellent Framework (BEF) helps company to sustain in the long-run?

The BEF is the framework that guided companies on how they can move forward to achieve tremendous outcomes. The BEF framework is not only focusing on customer but also including other elements such as Leadership, Planning, Managing Information, People, Process and Results. At the end of the day, company which has implemented BEF will improve its organisation towards attainment of world-class practices across all departments. Indeed, this framework is a guide tool for companies to manage and review their business excellence affairs and linking that to business performance. It has been proven that this framework is able to bring companies to the next level of business sustainability. Many international organisations from Australia, United States, New Zealand, European countries and Singapore have adopted the BEF. The Royal Navy and Spectrum Care from New Zealand are examples of organisations that have successfully changed their culture and the way they work into world-class practices. From my perspective, MPC has played a good role in guiding Malaysian companies in the BEF journey.

The BEF framework has also identified that customer is the heart of business. Managing customers is not an easy task due to customers are now being more sophisticated in identifying which products or services that meet their expectation. How can we retain our customers amidst in the high competitive market?

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Company must really understand the requirements of their customers in delivering good quality of the products and services. This information needs to be inculcated as part in the strategic planning in the company so that all employees from top to bottom will behave according to the quality requirement made by our customers. As the market keeps expanding, most of the businesses have attempted to provide an experience that will leave a best marked impression to the customers. To remain competitive, we need to identify what type of information that the customers really value before getting any products and services through customer’s perception.

How best we can obtain this information from our customers?

For example, a soap company in Fiji has increased its sales up to 30% within 6 months although its competitors were struggling due to the economy down turn. This company did the study on the needs of their customers by sending its employees to be the shoppers at several market places.

The employee's investigation was based on the customers soap preferences. These recommendations were then inculcated into their strategic plan within 3 months. They managed to change according to the customers' preferences. These improvements were fully supported across all departments in the company.

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Another best practices that I would like to share is about the Ritz-Carlton hotels that have installed customer preferences tracking system to track their customers' requests. These customer preferences or requests will be registered in the system in any Ritz hotels around the world. Thus, the hotel is not just providing good facility and fulfill physical requirements but giving extra services by understand further their guesses' preferences. This extending services has managed the hotel to retain their existing customers and maintain a good rapport. The hotel will always base on feedback from the guess to improve further their excellent services delivery. Another platform that company can embark to get their feedback is to establish focus group through value creation workshop among the leaders, employees and customers.

In Malaysia, most of the companies are very keen to reduce the customer complaints rate. What is your view on this matter?

In fact, receiving complaints from our customers are another channel of getting feedback for improvement opportunity in the future. It is a positive way for us to identify what are the drawbacks that we might not recognise when dealing with our customers. Thus, continuous encouragement for customers to give feedback by providing them the easiest, attractive and convenience ways for them to express their needs and preferences. The other source is the front-liner of a company who always receives informal complaints that needs to be documented and channeled back to the Strategic Planning Department for further actions.



How can we manage complaints effectively?

A research has shown that the sooner we can resolve any complaints, the faster we can retain our existing customers and increase their loyalty towards our products and services as well. This indicates that an immediate corrective action is required by employees or otherwise it has to be channeled to the management immediately to prevent the complaints from keep on emerging in the future. A system should be developed to provide regular communication with the customers and the establishment of an effective circulation of the complaints to all employees is necessary.



From your vast experiences, what is the tool to improve customer's satisfaction?

Recently, I just came back from Thailand, helping a Telco company to provide better services by using the benchmarking methodology. As the result from this project, the company has found out that each of its customers has their uniqueness. Therefore, each customer needs different service resolution. I believe that benchmarking can provide an array of solutions that can assist company to offer better products and services beyond the customer's expectation.

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Most of the companies in Malaysia found that it is difficult to conduct benchmarking due to lack of data for comparison of benchmarks. How do we cater this problem?

This tool is not about comparing our performance with the competitors as it will end up with penalising ourselves of not being the best of the best. We have to look it in a wider perspective and not just narrow down into facts and figures. Do not limit the scope of comparison only but try to use a matrix of practices that allow company to identify and definitely to close the gap. From there, we can start to learn and share experiences from other companies that have extraordinary practices in the areas that we are intended to improve within similar or different industries as well. As I am aware that this year MPC has organised several best practices site visits as the platform to share and learn experiences from the best-in-class organisations. We have to start ‘think out of the box’ to make us different from our competitors through benchmarking. For

example you might learn how the pit-stop of F1 staff operates and then how can this knowledge being transformed and modified to handle your customer complaints.

Benchmarking will lead company to start innovate, think differently and not just simply copying the practices. However, the recommendations derive from benchmarking cannot be materialised without full support and commitment from the leadership as well as employees' involvement. Change management, positive mindset and culture are really needed at the beginning of the project.

Let say from the learning and sharing of experiences from others, we have already identified an array of best practices that can be implemented within our company. How can we choose the best solution that will give high return from the investment made?

You can conduct analysis based on risk and opportunity by identifying which is the best solution that will ultimately gain high positive return from the investment that you have made. You may create some scenarios between the risk and opportunity of investment and balance it out according to your management requirement. You may also adopt the PARETO concept of spending about 20% of the profit in order to obtain 80% benefits from the investment.



Lean management has become important and allows company to eliminate waste in order to improve efficiency and quality. How can this initiative relates with the customers?

Lean management is an approach that supports the concept of continuous improvement in the long-run. Normally, this systematic processes will change to improve its efficiency and quality incrementally. Study indicates that it is about 30% to 50% in our core work processes include waste and meaningless works. In fact, all the costs will be borne by our customers. Moreover, the customer will also not being offered with better and competitive price. Therefore, lean management seeks to eliminate any waste, effort or money by identifying each step in a work process and then revising and cutting out steps that do not create value. With a structured process improvement approach, higher quality and cost reductions are achieved, as well as an increased in customer focus, reduction of waste and improve in job satisfaction.

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