Building a culture of customer focus

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 TheCustomer.Co has developed the Customer Fit Model to help companies understand their strengths and weaknesses and plan for improving customer focus around four capabilities. This first of four papers looks at the most challenging aspect of building a customer focused company - creating and sustaining a customer centric culture.

Culture is the game because of its pervasive nature. It shapes how people behave at work; their freedom and willingness to do the right thing and the metrics and processes the company implements. Culture is not something separate from the rest of the company. Rather it is an emergent property: the outcome of the many components that shape it. It is this circular nature that makes culture change difficult. The things that need to change are the very things that are shaping the company. It is akin to changing the wings on a plane whilst flying it!

There are three levers that anyone committed to change must work on.

Values

These fundamental beliefs guide people's actions and decisions and, used properly, are immensely powerful in shaping the company's culture.

Effective values shape what and how things are done. In mature values based companies, they are pervasive; evident in the company's processes, recruitment, development and reward and, most importantly, it's decisions. Experienced staff members implicitly reference values - testing decisions to ensure they conform with the company's values and spreading stories that reinforce them.

Making values implicit does not happen by chance - it takes sustained effort. Think of when you were learning to drive. In the early days, everything was spelled out by your instructor, who would intervene to avoid serious errors but would let you make some mistakes. You stuck to the rules rigidly. You practiced extensively until what initially required explicit thought and intense concentration became second nature. As an experienced driver much of what you do is autonomic. Embedding values needs an equivalent process. It requires an instructor experienced in change who holds the values dear and can coach by balancing empowerment with intervention.   It requires processes to be made explicit and repeated until they become second nature - I still remember "mirror, signal and manoeuvre", the process my instructor drilled into me for all driving events. It requires repetition and reinforcement; the two fundamental processes of learning. And most importantly, it requires visible and sustained leadership that is coherent with values.

Leadership

Companies are reflections of their leaders and the focus is not on what they say but, more significantly, on what they do. As Henry David Thoreau said "*I cannot hear your words for the actions that thunder above your head.*" Employees are skilled at reading leadership actions and comparing them with words. The gap between the two is proportionate to the level of trust employees have in their leaders and inversely proportional to the challenge of achieving meaningful change. Put simply, if the key leaders of a company do not believe in the power of customer focus, change is unlikely to happen. It is why TheCustomer.Co does not take on customers unless that commitment to change is real.

This does not mean that leaders should have blind faith; the business case for customer focus needs to be made. It does however mean that when the case is made (as it invariably can be) the appropriate actions must follow. Those actions must be visible in the expectations leaders set of others but also in what they personally do. This personal leadership must also be sustained: building customer focus is not a quick fix. Leadership of customer focus is not a diet; it is more akin to changing to a healthy living lifestyle. It is never a one and done thing.

The real challenge of developing customer focused leaders is that the very people that need to change are masters of the change process. Some recognise the need and take on the personal challenge. Some do not see the need to change personally and continue to lead their companies to the same goals. Others fall foul to the other interpretation of 'change management' and are changed.

Those that do take on the personal challenge deserve our respect and support. A good coach, positive case studies and good coaching are invaluable.

People

The success of any organisation depends on it people. Even in a digital world, people are often a customer's primary point of contact, particularly when things go wrong. People design and enact the processes and systems that deliver the experience. People do it all. Customer focus needs people with the appropriate skills and, equally important the right attitudes.

That is why customer experience winners place so much importance on strengthening the ties between the company and their employees. Research in the US retail sector shows a positive correlation between the two.
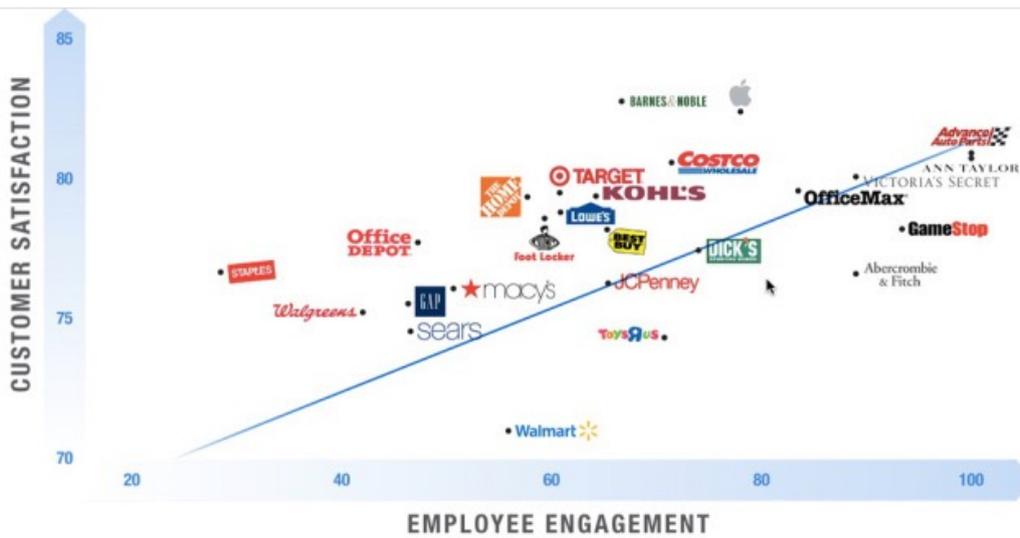
Others like the UK's Nationwide Building Society have company specific figures supporting the link.

A Harvard Business Review paper suggests those that place importance on employee engagement also believe in the power of customer focus. Digging deeper, the research examined the specific drivers of employee engagement.

Employee Engagement: Performance vs. Importance

How important are each of the following in terms of their impact on employee engagement?
How would you rate your company's performance on each of the following factors?
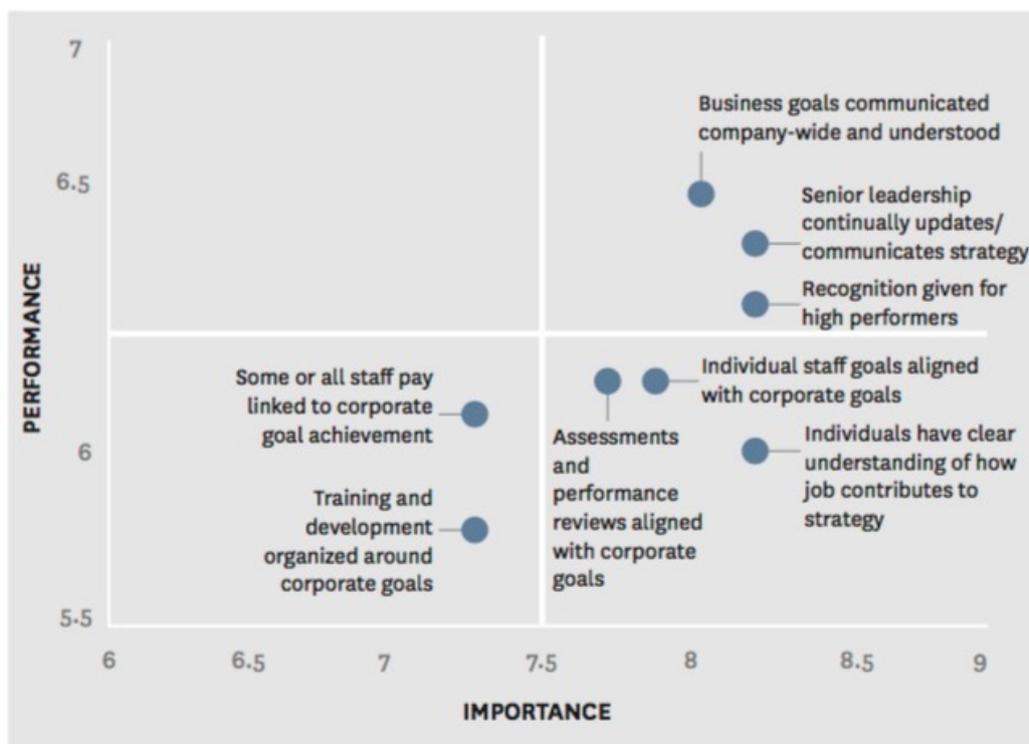
What is striking is how important it is that employees understand and can relate their work to the bigger picture. This is not a new concept, although practice remains weak. The most powerful example I have seen was when visiting a manufacturing plant in Japan back in 1989. Mitsubishi Heavy Industries in Sagamihara used a simple chart to engage shop floor workers in the company's strategy[1].
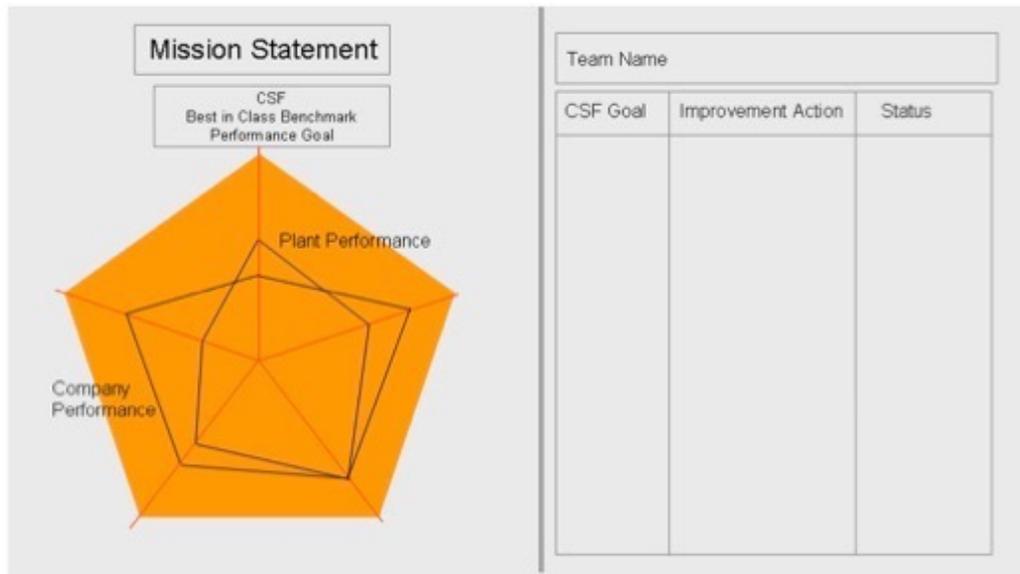
Pre-printed, common across the company with the exception of the Plant Performance line which was added by plant. New charts issued Quarterly from HQ with updates.
Each arm of the pentagon represent a CSF essential to fulfilling the mission. Each CSF was annotated with the name of a company recognised as best in class and a performance target set by the company.

Hand written by the team and updated as required. Team identifies the actions they are taking to achieve the CSFs that help the company achieve it's mission. Provides a clear connection between strategy and operations. Everybody is focused on the big picture.

Every team decided for itself how it was going to impact the company's chosen success factors to achieve the benchmarks stated thus meeting the company's mission. Everyone not only knew how they fitted into the big picture; they had a say in how it was achieved. Google seeks to achieve the same with its Objectives and Key Results (OKRs) - an approach I have used previously.

Unfortunately. most senior managers believe that a strategy presentation is sufficient: it isn't. People processes such as these are key to the organisational learning that embeds values and purpose essential to engagement. Other key processes are:

- Recruitment that tests for cultural fit as well as skills and experience
- Development that coaches values and customer focus
- Performance management that includes customer experience
- Promotion that references the customer

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[1] I describe this in my book "Dynamic Organisations: The Challenge of Change"

I chose to address culture as the first of my papers describing the Customer Fit Model because of its importance. If you doubt this, consider the views of two leaders of major companies, both known for their tough-minded approach to business. After turning around the fortunes of IBM, Lou Gerstner said "I came to see in my time at IBM that culture isn't just one aspect of the game - it is the game." Jack Welch who led GE through a period of significant growth said "Culture drives great results." And if you think this does not apply to the new successes consider Zappos - the online retailer led by Tony Hseih: "Businesses often forget about culture and ultimately they suffer for it because you can't deliver good service from unhappy employees."   Finally, Netflix co-founder and CEO Reid Hoffman said "We believe that when the right talent meets the right opportunity in a company with the right philosophy, amazing transformation can happen."

Don't wait - address your culture today!