



# Mpowerment Matters

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Management Mpowerment Associates

Forward to a Colleague



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No matter what the business, the quest for great customers is universal. Over the years I have heard a lot of phrases used to describe that great customer. It is someone who buys a high volume of goods or services. It is someone who pays on time. It is someone who doesn't try negotiating the invoices. It is someone who doesn't complain a lot, or seek to return what they have ordered. Each of the above may actually be descriptors included within your definition of "great customer".

During a recent strategic planning session with a client, a different definition took shape, one that I truly appreciate. The COO of the client company defined his best customer as ""the one that works the best". What he meant by that is that the best client is the one that derives the most benefit from the services he provides.

This statement is profound in its simplicity. It says that the client finds value in his services. It says that the client derives a benefit from the services. It says that the "seller" of the service has helped its client purchase something that actually works well for the client's needs.

This is a lesson we should not forget. It is not about us. It is about the client and its needs. If we can find clients whose goals we can achieve for them, we have found a fit.

So, taking all of the above into account, my idea of a "great client" is one who can truly benefit from what I have to offer. We have all kidded around about the sales guy that can sell ice to Eskimos. But in this real life of ours, we want to help our clients invest in products and services that will enable them to achieve their business goals in a cost effective manner.

Coaching, entrepreneurial development, leadership development and strategic planning are all services that Management Mpowerment Associates offers. We want to work with organizations that are looking for improved results, but have not found the methodology to achieve them. Sure we want to get paid lots of money in a timely manner. But we want it to come from clients from whom our services "work the best".

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## The Quest for Great Customers

Most CEOs hope a stronger focus on customers will protect them from eroding profit margins and commoditization. But getting closer to customers is not a matter of installing better CRM systems or simply measuring satisfaction levels.

Companies can take advantage of new, increasingly efficient ways to understand and respond to customer needs and preferences. We now have the ability to connect with buyers in meaningful ways that can benefit the bottom line by reducing costs and increasing revenues.

Close examination reveals that relationships between companies and consumers are suffering, with U.S. satisfaction rates at an all-time low. Ironically, the very steps marketers are taking to build relationships with customers often

destroy these connections.

### **What's Missing?**

Perhaps we're overlooking the fundamental elements of a good customer relationship program. With the means to connect with customers easily, maybe we're rushing to cash in on the potential rewards, while forgetting the essentials of all relationships: intimacy and trust.

In their article "Preventing the Premature Death of Relationship Marketing" (*Harvard Business Review*, Jan.-Feb. 1998), Susan Fournier, Susan Dobscha, and David Glen Mick delineate four mistakes companies make in relationship marketing.

1. **The number of one-on-one relationships that companies ask consumers to maintain is untenable.** People maintain hundreds of one-on-one relationships in their personal lives, so how can we really expect them to have one with your company? It's overkill.
2. **There's a balance between giving and getting in a good relationship.** When companies ask their customers for friendship, loyalty and respect, they often fail to reciprocate. Consumers also perceive requests for personal information to be intrusive. So are evening marketing calls and hundreds of pieces of mail.
3. **Companies' claims that customer relationships are valued don't hold water.** People sometimes feel they're at a disadvantage when they're loyal to a company. A company's preoccupation with its so-called best customers may neglect other revenue-generating customers, who feel underappreciated.
4. **Companies want people to think of them as allies and friends, but often come across as enemies.** While claiming to offer consumers solutions, companies can actually create more problems.

While companies try to be everything to everyone, customers view this approach differently, contending with a bewildering array of product offerings. According to Fournier, Dobscha and Mick, more than 2,500 new products vie for attention on supermarket shelves. Negative feedback from consumers is often viewed as "temporary resistance to change," with companies failing to recognize there are optimal levels of choice. Consumers consequently complain of loss of control, vulnerability, stress and victimization.

### **Regaining Customer Trust**

In 1985, psychologists Michael Argyle and Monica Henderson of Oxford University defined several basic universal rules of friendship:

- Provide emotional support
- Respect privacy
- Preserve confidences
- Be tolerant of other friendships

When companies violate these basic rules, they lose customers' trust. If companies truly want to build relationships with consumers that lead to rewarding partnerships, they must regain trust through actions-not empty words.

### **The Quest for Customer Focus**

When companies concentrate on customer relationships, they usually devote most of their attention to CRM technology that monitors customer satisfaction. But developing customer relationships requires the entire organization to be customer-oriented.

In "The Quest for Customer Focus" (*Harvard Business Review*, April 2005), Ranjay Gulati and James B. Oldroyd examined 17 diverse companies that concentrated on becoming more customer-focused over a two-year period. Three concepts emerged:

1. **Successful customer-focused companies learn everything possible about their customers.** They create a comprehensive picture of each customer's needs-past, present and future.
2. **They know this picture is useless if employees can't or won't share what they learn about customers.**
3. **They use these customer insights to guide product and service decisions.** Customer information is

used as their basic strategy and organizational structure.

Over time, the most successful companies find new ways to manage the flow of information about customers. They develop routines for decision making that incorporate customer preferences. They shift the locus of customer-focused efforts away from a centralized hub to a more dispersed set of activities that span the entire enterprise.

### **Overpromise, Overdeliver**

Capturing customers and keeping them is all about creating brand promises and delivering them. This means companies must do what they say-and more-to exceed customers' expectations.

According to Rick Barrera, author of *Overpromise and Overdeliver: The Secrets of Unshakable Customer Loyalty* (Portfolio, 2005), companies have three points of contact through which they can overdeliver and win customers' hearts:

1. **Product touch points:** When your customers interact with the products or services your company sells (handling, buying, using and disposing of your products).
2. **Human touch points:** When customers directly interact with frontline staff who can empathize, clear up misunderstandings and tailor solutions to particular circumstances.
3. **System touch points:** All other points of contact between a company and its customers (the systems and processes used to facilitate transactions and interactions, from paper invoices to frequent buyer programs).

### **The New Social Marketing**

Where does marketing enter the mix? Some experts claim the old days of "push" marketing are over, where a company shoved a one-way message to customers via print or TV.

Consumers are turning away from media and, instead, tuning into each other. They're doing market research online and sharing what they learn.

Corporate blogs have become an excellent resource for connecting with customers in a personal manner. If you can join the conversation in a real way, in real time, you'll have an advantage over those who remain inaccessible behind corporate doors.

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