

# FOCUSING ON WHAT MATTERS

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## **Are You Prepared? (For next year)**

### **Where Will Your Company Be On December 31, 2010?**

#### **The Broad Look at Business**

Business success can be attributed to:

- The CEO – there are crucial actions you should be taking in challenging times
- Strategy, plans and execution; this includes your business model, of which the most important component is the customer value proposition and your sustainable competitive advantage
- The leadership team – do you have the right people in the right seat of the bus (Good To Great by Jim Collins)
- Monitoring results – a significant key to this area is outside, independent directors or advisory board members

Recently, Bill Gates and Warren Buffett participated in a panel discussion at the Columbia University business school. Warren Buffett discussed what he looks for in businesses, which hasn't changed: an excellent management team which can be trusted and a durable competitive advantage.

Step back and look at your business and organization. How well are you doing in these areas? If the answer is you don't know or not very well, ask yourself 2 questions:

- What am I going to do about it?
- When?

Where you end up on December 31, 2010 will be based in large part to the excellence of the above, aligned around your vision.

**Don't venture far into 2010 without having these key areas in great shape!**

#### **Cutting Costs (Or, let's focus on revenues!)**

Do you think you have a lot of opportunity to cut costs further? Probably not. Now what? Have you spent as much time focusing on your customers and growing revenues? (Unrelated to just waiting for the economy to do it). Following are key areas you should be focusing on with respect to customers.

#### **What Comes First in Customer Service?**

When customers contact a company for service, the two most important things are:

- Is the frontline employee knowledgeable? (knowledgeable was defined as being able to answer my questions without being put on hold, searching for someone or transferring the person)
- Is the problem resolved on the first call?

Consider measuring the % of time you fulfill these requirements and see how well you are doing. Also, do your people have the leeway and authority to meet individual customer's needs? The next areas of importance in priority are:

- Treats me like a valued customer
- Demonstrates desire to meet my needs
- Can quickly access information
- Is good value for the money

Source: What Service Customers Really Want by Dave Dougherty and Ajay Murphy, Harvard Business Review, September 2009

In an article in the December issue of HBR, titled **Closing the Customer Feedback Loop**, the key is to know what the "moment of truths" are (the relatively few points of contact that hold the greatest potential to delight – or alienate – an organization's customers) and empower employees to act swiftly on customer feedback. Here is an important and easy five point customer feedback checklist:

1. Have you reached a consensus on your business's five most critical "moments of truth" with customers?
2. Do employees and managers get customer feedback routinely, on a daily or weekly basis?
3. Do you let customers know the impact their feedback had on improving your processes?
4. Do you know what percentage of detractors your operations now convert into promoters through service recovery processes?
5. Can you put a dollar value on turning a detractor into a promoter?

Think about the reaction you and your people have when customers have problems? That will give you an idea what your customers may be thinking of you!

**If you haven't independently assessed what your customers think of you or utilized the concept of net promoters, please call and we can discuss!**

### **More Revenues!**

**What else can we do for you?** This question should be asked in every interaction with your customers! Customers have new problems. Do you have new solutions? Have you found a way to provide more value for the same price? Are you exploring how you can provide and/or combine services with products? Can you bundle products or services together? If you are not exploring these possibilities, you need to look at them.

**SALES PROCESS** – If your company relies on a sales force, here are some thoughts to consider:

- Do you have good people?
- Are they well trained – not just in products and services, but professional sales skills? Do you have a sales process?
- Are there clear, measurable goals? Do you know how many prospect calls have to be made to get a sale? Are you monitoring these types of performance metrics?
- Does each sales representative have a complete plan for their area?

Your sales force can be a very real differentiator? Is yours?

## ENGAGEMENT!

Engagement is the extent to which employees commit to something or someone in their organization and how hard they work and how long they stay as a result of that commitment. Many of us say our people are our greatest asset. Well? How effectively are you engaging them in providing an exceptional customer experience? In uncovering ways to innovate on the cost of providing what you do? In making your company a better place to work? (The unemployment situation will not last forever)

People want to be in on things. People want to help. People want to make a difference. If you don't view your employees as fitting in to this description, you are responsible. Ask for help! You will receive it!

**Quote from Steve Jobs, Apple CEO – “We don't get a chance to do that many things, and everyone should be really excellent. Life is brief and then you die.....So it'd better be ..... good.”**



**My very best to you  
and your families for a  
great Holiday Season!**