



## **A Customer Centric Focus – Why It Works!**

*By G. Thomas Herrington*

After decades of customer-focused strategies, customer satisfaction indexes reveal that no substantial improvement has been gained. Why is this? No one doubts the need to focus on customers. The problem is the implementation.

Customer centric focus is more than a passion. It is a strategic choice that requires skill to implement. For multitudes of companies, being customer centric is a critical part of their strategy. Unfortunately, the reality is that often this customer centric focus is merely an extension of a company's previous strategy, a strategy where implementation consisted of motivational posters, as if that were all that is necessary to inspire attitude adjustment. Consequently, with this type of 'customer focus,' results are less than expectations.

Customer centric as a choice is radically different than the ways many companies traditionally operate. Most companies are product centric. Success is dependent on maximizing the number of customers' buying and using the product while increasing efficiency to maximize product revenue and profits. There is very little variance in the uses of the product and the business itself. On the other hand, a customer centric approach maximizes the customers' revenue and profit. In this model, variance is the norm and each customer engagement is unique.

Setting a customer centric strategy may be difficult choice, but implementing that strategy is even harder. The economic realities of today make it harder still. Reductions in budgets, headcount and even services work against a customer centric model. The pressure is on to make money or, worse yet, to survive.

While customer centric sounds good, the strategy often becomes words and good intentions when a company is pressured to make targets. It is the customers' success, their reaching their goals and targets, that is the focus for customer centric organizations. All who interface with the customer must change their skills and behaviors in order to support a customer centric focus. Often this is the area where implementation becomes difficult, if not impossible, under pressure.

IBM is an example of how a company switches from product to customer focus. One of the world's largest firms, IBM operated for decades as a company manufacturing hardware and software. The company's success was based on its ability to market its products to as many customers as possible. After many years of disappointing financial results, IBM transformed itself into a consulting company, initially specializing in outsourcing and technology. Now IBM is truly customer centric; it is a business consulting company, creating partnerships with its customers in every aspect of business

Successful customer-centric companies must be able, as IBM does, to become trusted advisors with their customers and to create an environment where customers look forward to the next interaction with the company and even act as a voluntary sales force for the company's products and services. As a 'trusted' business partner, customer centric companies listen to their customers and become interested in what the customers are trying to achieve.

The key to being a 'trusted advisor' is to act like one. Trusted advisors do not "sell" the customer; they help the customer arrive at good, well-informed decisions. When helping clients make good decisions, the trusted advisor/partner must also realize that the decisions they make may be a 'Yes' or a 'No.' Being okay with a 'Yes' or 'No' is not easy for some people, especially with the economic pressures of today.

Also, it is important to consider that organizations do not purchase products and services. People do. So needs become more than corporate needs. Decisions are often based on individual needs within the organization.

Unfortunately, things are not always positive within a partnership. Discussing options, getting decisions, understanding customer perspectives and needs are certainly much easier when things are going well and the customer is positive. What happens when the customer complains, avoids risks, challenges assumptions, neglects issues or even becomes hostile? Reaching decisions customers believe in or discovering opportunities to help them succeed are virtually impossible without the skill to deal with these realities in a way that is pleasing and reassuring to the customer. Customers face the same economic pressures.

Customer centric focus is not a T-shirt slogan. Customer centric focus is a culture of conducting business. While a customer-oriented strategy has its difficulties, it also has its rewards. An organization that is truly customer centric has a profitable customer base and the ability to adjust quickly and protect in downturns.

In today's economic climate, those companies that thrive will be those that are customer centric and those that remember that customers are the ultimate judges and the world's leading authorities on whether we impressed them or not with our efforts.

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