

Advocacy in the customer focused enterprise

The next generation of CRM Done Right

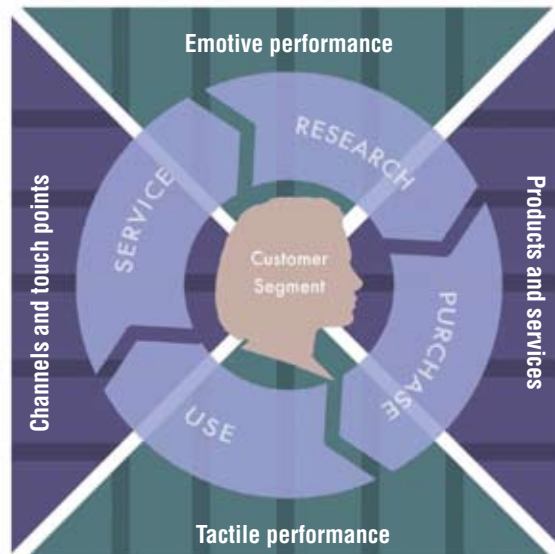
Across different industries, the two marketplace extremes of *product commodity* and *customer needs-based solutions* are creating losers and winners. Innovative companies know that they cannot merely sit safely in the middle anymore. Success hinges on establishing strong bases of loyal, profitable customers who are also advocates for the company.

To drive sustainable, profitable organic growth and competitive differentiation, organizations must better integrate and align the way they treat customers with their go-to-market strategy and branding at each touch point of the relationship. Achieving this is a continual, uphill battle as competitors increasingly raise the stakes. Customers' expectations continue to rise – largely through their experiences with a boundless commercial world – but also through unrepentant brand marketing and well-publicized customer programs. Given the vast number of customer interfaces companies have to manage – multiple channels, front-line employees and customer segments – the key challenge is to create the right experiences at the right time in the right way for the right cost.

Further complicating matters, customer experiences have emotional characteristics which companies historically haven't been good at addressing. The customer experience is more than an analysis of hard metrics about speed, availability and information. Although such tactile performance measures are critical, real progress in shaping the customer experience has to consider the emotive aspects of high impact interactions.

The key to achieving emotive success is understanding the customers' needs and expectations. By doing so, companies can identify the most important interactions – “the moments of truth” – and prioritize delivery accordingly. The IBM customer experience framework integrates four key dimensions: emotive performance, products and services, tactile performance, and channels and touch points (see Figure 1).

Figure 1. IBM customer experience framework.



Source: 2006 IBM Customer Experience Research.



Capitalizing on moments of truth

Building meaningful experiences can be daunting, but there are three guidelines that apply to every customer interaction:

1. Delight customers when it makes sense (and cents)
2. Fix where the company fails on its promise
3. Right-size delivery when an interaction doesn't matter.

Companies who excel in the customer experience arena operate as customer focused enterprises (CFEs).

The CFE model embodies six key characteristics, applying innovative approaches and resources as it grows and improves:

- Customer authority
- Customer dialog
- Integrated execution
- Solution experience
- Human performance
- Customer focused organization.

Business leaders across industries can benefit from CFE capabilities, leveraging innovation to deliver uniquely branded attributes during customer interactions.

Conclusion

Companies ready to move forward with improving their customer experiences have significant challenges ahead of them, but they also stand to make

significant gains. The first step for most organizations will be a careful assessment of their current customer bases and customer operations. Some key questions for companies to explore include:

- Do we need to do things differently?
- What should we be doing?
- How should we be doing it?
- When should we be doing it?

Building upon the 2004 IBM "CRM Done Right: Executive handbook for realizing the value of CRM,"¹ the CFE model gives companies the ability to prioritize resources and assets based on the impact of customer interactions to proactively manage customer experiences and drive customer advocacy.

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Reference

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