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Economic Meltdown

Are you ready for a recession?



by Scott Glatstein

IF YOU'RE A MANAGER BORN after 1955, you've led a relatively charmed life.

Most of your career has occurred during economic expansion. Sure, there have been a few hiccups here and there. The economy suffered in 2001-2002. Unemployment increased and consumer confidence declined. But that downturn was relatively mild.

For a real economic meltdown, you must go back 20 years to the late 1980s and early 90s when the collapse of junk bonds, the S&L crisis, and tight credit markets stymied growth around the globe. Times were tough. Consumer Confidence fell below 50 percent and rates for alcoholism, drug abuse and depression rose significantly.

Today's senior managers weren't in key positions of power or authority then. They weren't involved in the tough decisions. They didn't learn how to steer a ship through choppy waters. They didn't witness the rapid shifts in customer attitudes and behaviors.

When money tightens, consumer confidence falls, commerce slows, and customer needs and expectations change. Every spending decision becomes an exercise in deploying limited resources. The decision to spend money is taken seriously, and tolerance for an imperfect customer experience melts away.

Expectations vs. Experience

Your marketplace image, an outgrowth of your go-to-market strategy, creates customer expectations. If you're the Ritz Carlton, your image is one of unparalleled luxury and service. If you're McDonald's, your image is one of consistent quality at an affordable price. Your image defines who you are, how you operate, and how you're different from your competitors. Your image is a promise to the marketplace. It creates a set customer expectations. Meet or exceed those expectations, and the promise is kept. Fall short of those expectations, and the promise is broken.

If the marketplace image is a promise you make, then the customer experience is the fulfillment of that promise. Customers experience your brand in many ways: products, packaging, price, mar-

keting, sales personnel. Each of these contacts or touchpoints molds the customer's impression of the brand. Some touchpoints are obvious, like product performance, and customer interactions. Other touchpoints, like the product manual, monthly statements or post-sales support, may be subtler in their affects.

In hard times, the customer experience takes on greater importance.

Customer tolerance for unfulfilled expectations drops. The customer experience should be *actively* designed and controlled in a way that enhances your marketplace image. It must consistently reinforce the marketplace promise across every customer touchpoint or customer loyalty is at risk.

Optimized Experience

Here are five easy steps to an optimized customer experience:

1. Identify your reasons-to-believe. Your marketplace promise is irrelevant if your customers don't believe it. So, your promise must be supported by reasons-to-believe. This will add substance to the promise and define specific expectations for the customer. For example, a car manufacturer promises potential customers that Car XYZ is an "intelligent choice for serious drivers." What makes it an intelligent choice? Why should the customer *believe* this?

To address this question, the manufacturer could frame its promise with two reasons-to-believe: *sporty performance* and *safety*. These two reasons define "intelligent choice" and clearly set customer expectations. They give the company specific direction for designing the customer experience through tangible customer touchpoints.

2. Identify customer touchpoints. Each step in your process contains several touchpoints when the customer comes in contact with your organization. Your ultimate goal is to have each touchpoint reinforce and fulfill your marketplace promise. How do you generate customer demand? How are products sold? How do your customers use your products? How do you provide after-sales support? This trace of

your marketing, selling, and servicing processes allows you to create a simple touchpoint map that defines your customers' experiences with your brand.

3. Determine the most influential touchpoints. All touchpoints are not created equal. Some will play a larger role in determining your customer's experience. For example, if your product is ice cream, taste is more important than package design. Each touchpoint has a different affect on your customers' experiences. To determine the touchpoints driving your customers' experience, you can use techniques ranging from quantitative research to institutional knowledge. The methods you use

depend on the complexity of your products, commercial processes, and existing knowledge base.

4. Design the optimal experience. Determine how to express each reason-to-believe at each key touchpoint. For example, how can you reinforce sporty performance (a reason-to-believe) in product design, at the

dealership, and in marketing campaigns (the influential touchpoints)?

5. Align the organization to consistently deliver the optimal experience. Adopt a holistic approach to aligning your organization to consistently deliver the optimal experience. Identify the people, processes, and tools that drive each key touchpoint. Look beyond those who have direct contact with your customers. The impacts of behind-the-scenes employees are no less important. Similarly, the impact of workflow processes and tools on the customer experience may be crucial to consistent delivery.

Identify which activities don't align with your optimal customer experience. Bring these components into alignment. Every product or service you bring to market yields a customer experience. Is it the experience you intend? Does that experience fulfill the promise you've made? Does it meet customers' expectations? The consequences of a suboptimal customer experience can be dire.

By identifying the people, processes, and tools that drive your customer experience, you can actively design and control your own, unique, optimized experience. The promise you make to the marketplace will be kept across every key customer touchpoint. **SSE**

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ACTION: Provide optimal customer experiences.

