



OE Cam

Getting Even Closer to the Customer

CUSTOMER INFLUENCES

COLLEAGUE INFLUENCES



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Getting Even Closer to the Customer

It's been said that this is the 'Age of the Customer'. Many of our clients are currently talking to us about how they can become more customer-centric and put the customer at the heart of their business.

So what does customer-centricity look like in practice?

This edition of *The OE* explores the customer proposition from different perspectives. From the holistic - the four levels of influence across the customer journey, to the specific - a case study of the nine behaviours of top performing sales professionals.

As specialists in organisation, we look at the business model, and how getting an external view on the inner workings of the organisation can uncover new and better ways to engage with the customer. And, as business psychologists, we look at behaviour – helping you to understand the unintended power shifts in the Executive Team when you realign around the customer. And, we share with you, a very personal story, that reminds us to not forget the 'human' elements at a time of increasing digitisation.

We hope you find this a timely and useful journal, and, as ever, we welcome your feedback!

Have a great 2016!

MARTYN SAKOL
Managing Partner



Why Business Models Matter

by MARK GOODRIDGE

As a consultant, I'm an outsider looking in on organisations. This leaves me to often wonder why businesses I experience look and feel so different. As a customer or consumer we get radically different experiences of say our utility companies. One company seems really helpful, the other seemingly putting obstacles in the way of delivering my requirements. Even our experience of the same organisation through different channels can feel disjointed.

The anthropologist Pierre Bourdieu studied the Berber of Algeria after the Franco Algerian war (1). He asked the Berber why their houses were divided into two. The higher and larger part housed the weaving loom, was for entertaining and where the men slept. The smaller part was for the children, the animals and women. The Berber were puzzled by the question. This is the way of the world, the way they lived; the members accepted these arrangements as the 'proper way'. It was their 'common-sense'. Strange to us - but not to them. In this way the Berber classify their world. We equally assume and accept the classifications we inherit of our businesses.

Understanding the Dangers of Classification

Gillian Tett of the FT in her excellent new book *"The Silo Effect"* tells this story of social classifications amongst the Berber (2). She uses her anthropologist eyes to look at how we classify the way we experience life in general and organisations in particular. She tracks the negative consequences of the excessive compartmentalisation in Sony losing their global position in consumer electronics. Simultaneously launching products that compete with one another - each with different batteries and chargers brought home the consequences of making the business into a series of silos.

Like the Berber tribesmen, we all have the tendency to accept the current classification of things. The human brain is a sense-making machine and the way it does it is through classifying things, events and experiences. This is how we make sense of our lives. Without these classifications life would be a random jumble of an alphabet soup. But in these classifications lies a danger, the danger that we don't see outside the classification within which we fit, or in Tett's words, the silo. Which creates a disjointed customer experience and a box full of charging devices!

Within our companies we all have our classifications. It is obvious in company X what marketing does and equally obvious in company B what they do; the only issue being that what they classify as 'marketing' is quite different. In one organisation marketing is all about how you communicate to your customers the features and benefits of your product. In another, marketing is about understanding market needs and requirements, developing products and services to meet those needs and actually taking them to market.

We order and make sense of our business world through a wide lexicon of classifications. The words may be the same but the realities are quite different. Typically we classify activities into sales, finance, HR, operations, supply chain, R&D, business units, divisions and so on.

Take the customer for example. The idea of segmentation deconstructs and reinterprets what is meant by customer. It breaks down a single classification into multiple classifications of customer requirements. This then raises the question about different products to meet these different needs. The service offer of a private banking client is markedly different to that of the normal retail customer. Should then the same process deliver both or do we separate them?

Connecting the Business with the Customer Journey

A key role for the centre of the organisation is to be the architect of business, to create and develop its moving parts. Put another way, it is setting up the ecosystem in which the elements of the business will act and perform. We call it the business model. The inspiration for the ecosystem is strategy, that definition of purpose, direction and goals that defines the business in the next phase of its life. If the strategy is about developing closer, more personal relationships with the customer, then the ecosystem must reflect this. The way in which the organisation interacts with the customer is a vital part of this ecosystem.

Businesses in similar spaces have radically different ecosystems:

- Tesla, the Californian electric car company set up by Elon Musk makes the vast majority of its parts itself. For example, it is building a large new battery factory. Tesla is in contrast to the major auto companies who have outsourced as much of their component manufacture as they can
- Boeing outsourced so much of the 787 that they struggled to integrate the thousands of sub contracted modules
- Microsoft and Apple have different ways of driving revenue and customer value
- Successful retail giant Inditex manufactures some of its own garments, just as successful Primark, does not
- Warner Bros' Harry Potter experience has an integrated customer experience all being run by a single team where others break down the customer journey into segments being run by different teams.

Google, or should I say Alphabet, has changed its business model to separate out new business streams from the existing revenue generators of search and YouTube. The Eurofighter, an inherently unstable aeroplane requires sophisticated systems to keep it in the air – this gives it hyper manoeuvrability. Businesses if they are to be agile need to be in part unstable. There needs to be parts of the ecosystem that are experimenting, challenging the existing order of the rooms and silos.

Business models help us reconcile some of the internal competing tensions of efficiency, synergy and cost reduction. But in that internal drive the customer journey can get lost, the service becomes fragmented and the integrity of the business model starts to fall down.

Continued overleaf...



WHY BUSINESS MODELS MATTER

Businesses need sufficient glue to hold them together - but not so much that they cannot move. We need to ask ourselves the question as to what is the maximum amount of dissonance we can manage and still hold together rather than how we can make ourselves really stable and rigid? Continuing with the ecosystem metaphor we can all see parts of organisations that become toxic and infect the rest with their poison. So we need good governance of the ecosystem too.

What Does This All Mean for the Business Model?

This is where the idea of the business model or operating model comes in. Typically in the past, organisations have not had a guiding concept between the vision and strategy and the organisation chart.

The idea of a business model allows us to map how we are compartmentalising the organisational world we inhabit. It helps us think about what are the moving parts, how do they relate to one another and to our suppliers and customers. How we generate revenue and where we expend cost.

There are many frames or rulers we need to apply to our business model. 'Cost' and 'efficiency' are obvious ones; the customer or patient journey, where the end customer or consumer touches each part of the organisation is another frame.

Our approach is to create a high-level entity map that maps the 'moving parts' of the organisation across a range of different dimensions. In this way we can create maps of the current organisation, highlighting the silos and the interfaces. We then can project alternative ways of working.

For example, Diagram 1 below shows how we align activities to process and structure.

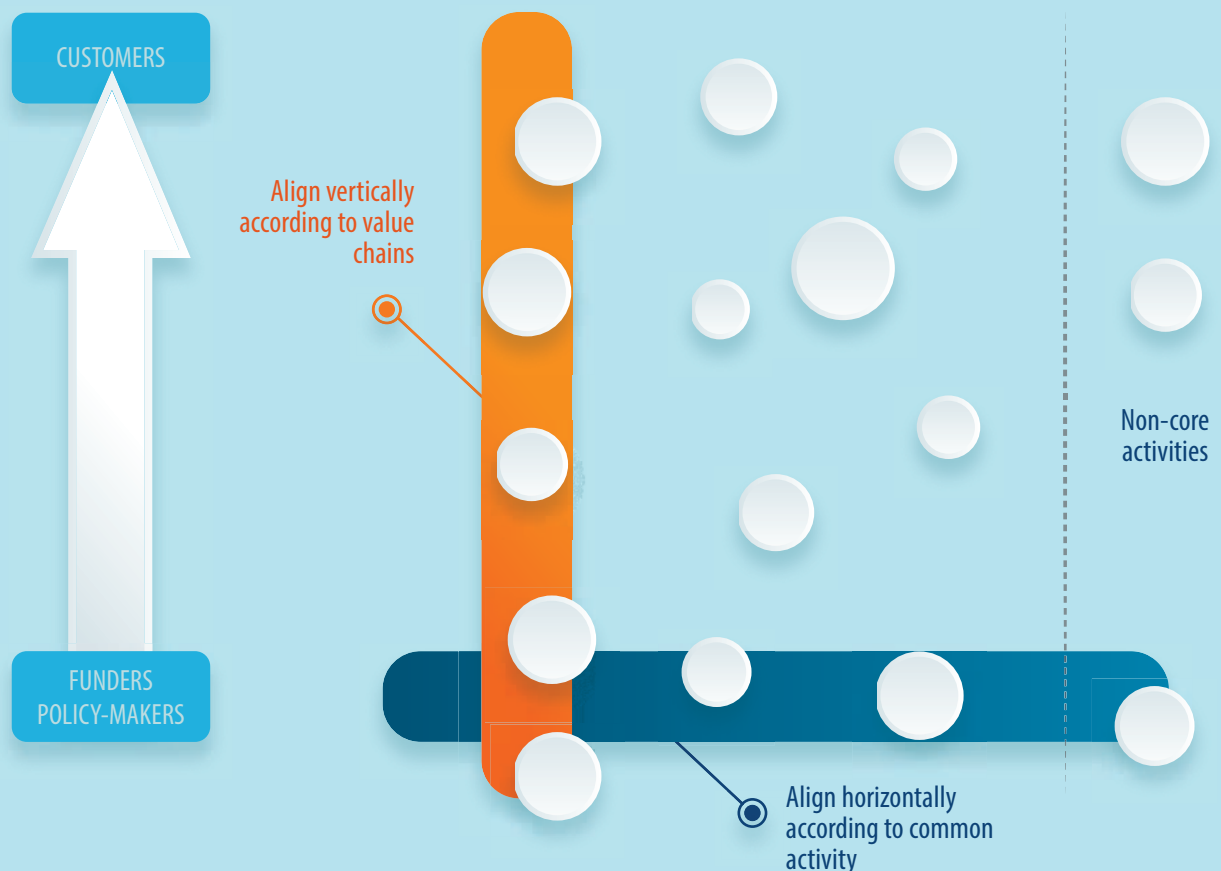


Diagram 1: The Business Entity Map - Aligning Activities to Process and Structure

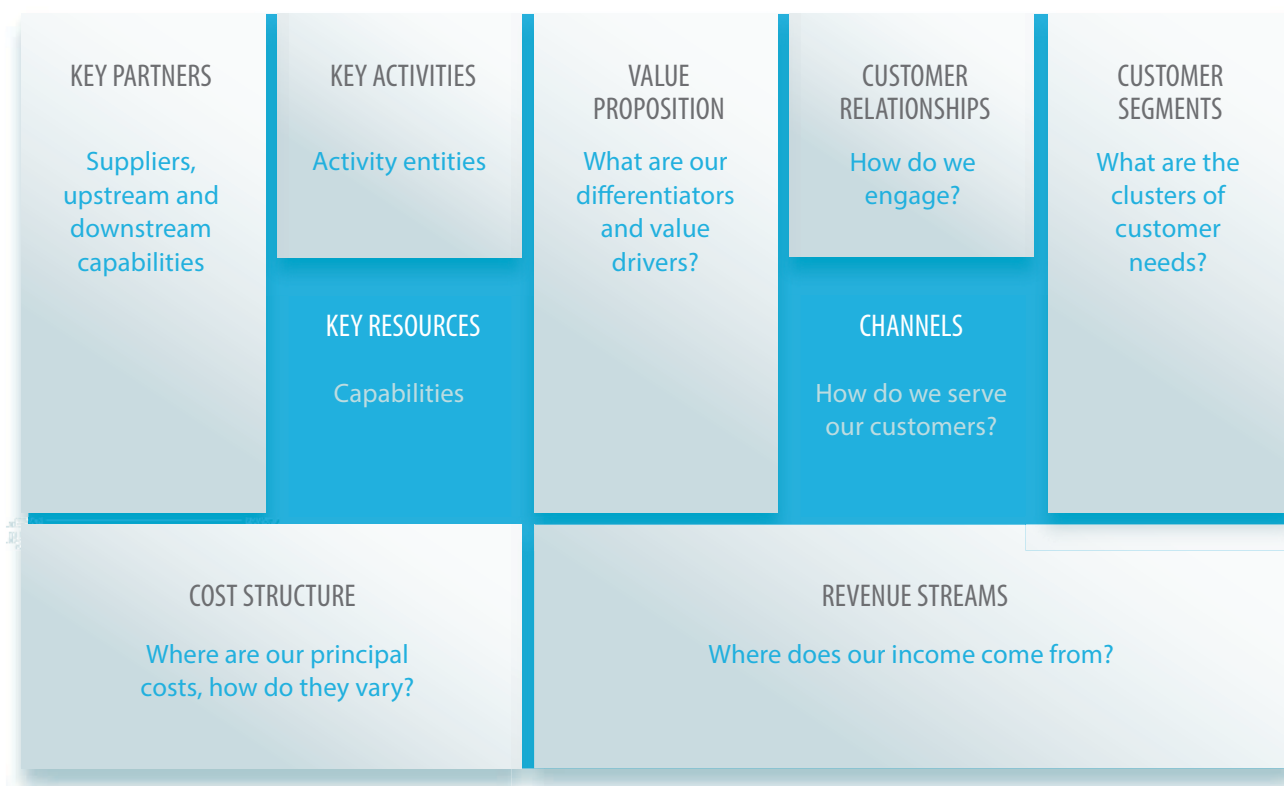


Diagram 2: Business Model Canvas

We like working with the business canvas set out above. It was co-created by a great team of experts and provides one of the foundations for thinking about business models (3).

Each of the boxes in Diagram 2 represents a key element of any organisation. We sometimes add more, such as innovation. It is sometimes helpful too to map the external landscape within which a business thrives and thereby focus on the external or customer experience. But it forces us to think purpose, customer segmentation, our value propositions and importantly our revenue models.

For example, those organisations who claim they put ‘customers at the heart of the business’ might use the canvas to challenge their business model and what they deliver to the customer.

Getting an Outside Perspective

The love we have of identifying with a tribe or a team can blind us to the fact that so often the greater the cohesion within the

tribe the greater the distance between the teams (the Achilles heel of team work!). This drives silo behaviour that takes us away from the interconnectivity that a business model demonstrates.

Many people I meet don’t know how their business or organisation is supposed to work. They know their job description and seemingly little else. The idea of business model is a powerful communications tool to bind everyone to an understanding of the ecosystem in which they play their part.

Going back to the Berber tribes - we are rearranging the rooms, we are challenging why there should be just two, perhaps one or three, we’re challenging the function of each and why life has become so orientated around this classification.

Now and again we must all become outsiders. Stand back from our accepted view of our position in the markets and how we engage with them. Business models allow us to do this leaving the crudeness and assumed hierarchy of the organisation chart to a different day.

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1. “Sociologie de L’Algerie” (The Sociology of Algeria) 1962

2. “The Silo Effect” by Gillian Tett, Little, Brown 2015

3. “Business Model Generation: A Handbook for Visionaries, Game Changers and Challengers” Alexander Osterwalder and Yves Pigneur (2010)

Changing Consumer & Colleague Behaviour:

Developing a Unified Approach Across the Customer Journey

by **MARK CROSS**

Inconsistent Assumptions

A recent global survey of CEOs (1) highlights the unprecedented era of change that is reframing the relationships between customers and companies across the globe. Meeting the needs of increasingly demanding consumers, fuelled by digital disruption is now bringing the focus closer to a better understanding of human behaviour and customer decision making. Recognition too that technology is an agent for behaviour change and not an end in itself- making an organisations grasp of the understanding the influences around behaviour a core issue for its success.

Personally speaking, it doesn't take much degree of self analysis to realise that human behaviour is not as simple or as rational as we would like to believe. But it is interesting that this obvious personal truth is not so clear in a business context. All too often, plans (along with most economic forecasts) are still developed with underlying assumptions of 'rational buyer' behaviour ladder up to confident expectations of straight line growth. This is despite recognising that technology has transformed traditional thinking around linear customer journeys to purchase and acknowledgement that the consumer is now 'in control'.

The 'rational man' model was dismissed some time ago by academics as a poor explanation of how we actually make decisions. The evidence base from across the various fields of psychology and related disciplines, now championed by the behavioural sciences, offers a very different reality. We don't have the mental space or time to weigh up the pros and cons of all the options we have for the multitude of decisions we face in our daily lives. We take mental shortcuts that bias our decisions, often occurring at the sub-conscious level which results in our actual behaviour straying some distance away from what might be forecast by standard economic theory.

The networked society operates according to the rules of human rather than pure economic behaviour. Emotional affinity is a key factor in our decision-making which in turn is also shaped by the influence of our peer networks who have superseded conventional organisations as the key source of trust and authority. This was captured well by Kevin Kelly who (2) said:

"The dynamic of our society, and our new economy, will increasingly obey the logic of networks...we are connecting everything to everything".

Re-focusing on Behaviour

In my experience, the need to think more deeply about behaviour and how to influence it is obvious when seeking to address some of the harder challenges facing society. For example, in the complex challenge to address obesity, a group of experts from across the disciplines developed the Obesity Systems Map, which using systems theory, mapped all the factors that contributed to the issue (3). Over 100 casual factors were identified operating at the personal, social and environmental levels and this explanation was used to develop interventions across sectors including the development of the government's own Change4Life programme. It would be interesting to now apply the map against the proposed Sugar Tax to see whether the whole system is likely to positively move forward or simply compensate elsewhere to maintain the status quo.

The emergence of the behavioural sciences is not restricted to government and policy makers with its adoption growing in the private sector too - across industry sectors and across functions. For example, Barclays has established a wealth management business based on behavioural finance (4) and technology companies such as Amazon are employing behavioural expertise. Examples of marketing more formally embracing the thinking are becoming apparent. For example,

thetrainline.com sell train tickets online but they sell the same fares as every other train company and cannot offer either discounts or exclusive fares. The marketing solution was to frame the discounts that can be achieved on thetrainline.com in a way that brought consumers to the website. Encouraging people to buck the social norm of buying on the day (81% are still bought on the day) and do the smart thing of booking in advance. What was interesting is that they framed the price in terms of comparing an old behaviour with a new one and used humorous creative work to trigger a sense of loss aversion about the money wasted by not booking in advance - rather than just emphasising the savings made. The results were outstanding... In the first 18 months revenues grew by £137.8m and achieved an ROI of £2.42 for every £1 spent.

The diversity of adoption across the structures and disciplines of business points to the emergence of a lasting new tradition. But there is a more immediate demand to systematically connect applications across the siloes and provide a unifying route to meet the challenge of shifting customer behaviours that, according to the PWC survey, is currently preoccupying global CEO's.

Creating a New Picture Around Shifting Customer Journeys

There's a real competitive opportunity for organisations who apply an understanding of behavioural change to the customer journey – aligning both the customer experience and the organisation around human behaviour. The outcome being an organisation that is tuned into the patterns of behaviour of both its' customers and itself, and able to synchronise experiences through a shared picture of how behaviour works within fluid markets.

The customer journey is no longer linear. Potential customers move at different stages and speeds through an iterative process of decision making, where associations are formed well ahead of entering a market and with active consideration supported by technology shaping new buying behaviour right up until the moment of purchase (E.g. the use of our smart phones before going in-store to check best local deals available). The subsequent customer experiences are often shared across personal networks to create positive or negative endorsements in what McKinsey have termed 'the loyalty loop' (5).

But we are only partially sighted to the new dynamics at play and without a full picture of what is happening and why. In particular, we are missing the hidden patterns of conscious and un-conscious influence as people build intention, interaction and experience across the stages of decision making in the marketplace. There are numerous models that explain various types of behaviour. In general terms behaviour can be explained by factors working at four levels – namely personal, social and local/macro levels. Harnessing these insights across the stages of the customer journey (see Diagram 1 below) will ensure that customer experience 'goes with the flow' of human behaviour.

And the picture is not complete until matched with an equivalent view of your own organisation's behaviour and capability to deliver success at every touchpoint on this new customer journey.

The effects we are looking to capture are multivariate and there is a significant role for behavioural analytics and 'big data' techniques here, but equally for a structured hypothesis on what is happening and what can be done to bring customers and organisations closer to create consistent value.

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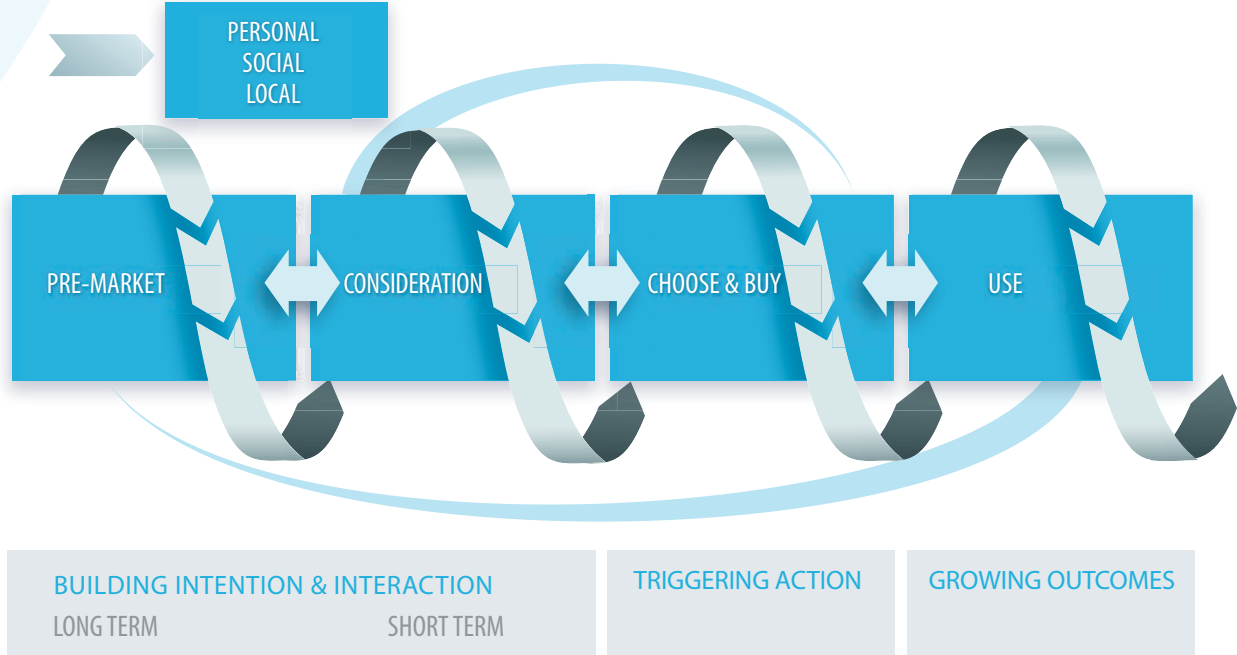


Diagram 1: The Hidden Spirals of Influence Across the Customer Journey

Capturing the Four Levels of Influence Across the Customer Journey

Formalising how behaviour works at each of these four levels will provide a new picture of behaviour and reveal the hidden influences at play.

1. Personal Factors

These impact the individual and affect the choices and behaviours he or she undertakes. Whilst these embrace values, attitudes and beliefs they focus on the factors that over-ride our rational selves. There are many biases that are well established such as 'prospect theory' established by Kahneman and Tversky (6), which demonstrates that 'losses loom larger than gains' whereby the fear of losing is at least twice as powerful as the pleasure of gaining with the result that people are more willing to take a risk to avoid a loss rather than a gain.

It is also linked to other biases such as the endowment effect where we overvalue what we own, in part caused by the emotional attachment we have for goods that provide some sense of ownership.

Leveraging these factors for customers and colleagues will be key to their re-alignment. For customers, prospect theory suggests that customising options within an early sense of ownership will reduce friction; and for colleagues, encouraging their full participation into change programmes will build a sense of ownership and help overcome the status quo.

2. Social Factors

These factors exist beyond the individual and act in a social context to influence behaviour. For example, we are heavily influenced by who communicates with us with their authority and trust is key to that influence. 'Network theory' also recognises that people are heavily influenced directly by what other people do and indirectly by our perceptions of what others would or should do. Hence the power of peer to peer networks in spreading ideas and influence and the explosion of social media. For customers these factors are critical drivers across the journey and likewise for the colleagues, who will be more likely to respond positively to peer to peer influence and respected role models than to mandates from above.

3 & 4. Local and Wider Macro Factors

These also have a huge effect on why people do what they do. They can constrain and shape behaviour including the macro factors of market conditions and technology, as well as the physical conditions in which they live and work. It also includes the more immediate situational context and moment of the decision. The key behavioural factor here is defaults, where we go with the flow of the preset options which then guide our unconscious habits and routines. Overcoming inertia is a key challenge for many markets with the financial and energy sectors obvious examples of where inertia presents the biggest barrier to change. For current bank accounts, the significant triggers to switching are a very poor service experience, life-stage changes and also local proximity to the bank, but despite making switching easier for customers through a new account switching service, inertia for the very large majority still prevails.

Typically in our planning we overestimate the conscious individual factors and under-estimate the social and local impacts and thereby make decisions based upon incomplete explanations of behaviour.

Applying This Systematically to Customers and Colleagues

Recognising the key behaviours and factors at play across the customer journey is the start point to redefining the customer experience, which is very likely to then require process and behaviour change within the organisation to deliver the new service improvements, as described in Gary Ashton's article. To enact that internal behaviour change, in a similar way to how you viewed the customer influences, you then have to consider what influences employee behaviour at a personal, peer, organisational level, to ensure a sustainable change through a common approach (see Diagram 2).

So developing a unified view of customer and colleague behaviours across the customer journey offers a route to informing the internal change in behaviour required to ensure sustainable change and a better customer experience. A four-step approach makes this a practical reality which can be readily validated through a testing programme. Without the dual focus on customers and colleagues as a constant, risks the intent for greater customer-focus remaining just that. Without the dual focus on customers and colleagues as a constant, the risk is that the intent for greater customer focus remains just that.

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1. PwC Annual Global CEO Survey 'A Marketplace without Boundaries? Responding to Disruption' (www.pwc.com/ceosurvey).

2. Kevin Kelly is the founding executive editor of Wired magazine, and a former publisher of the Whole Earth Catalog. Kelly is considered an expert in digital culture.

3. P. Vandenbroeck, J. Gossens and M. Clemens (2007) 'Tackling Obesity: Future Choices-Building the Obesity Systems Map'.

www.gov.uk/government/uploads/system/uploads/attachment_data/file/295154/07

4. <https://www.investmentphilosophy.com/behavioural-finance/>

5. 'The Consumer Decision Journey' McKinsey & Co (June 2009) http://www.mckinsey.com/insights/marketing_sales/the_consumer_decision_journey

6. 'Advances in Prospect Theory: Cumulative Representation of Uncertainty' (Tversky & Kahneman (1992) Journal of Risk and Uncertainty)

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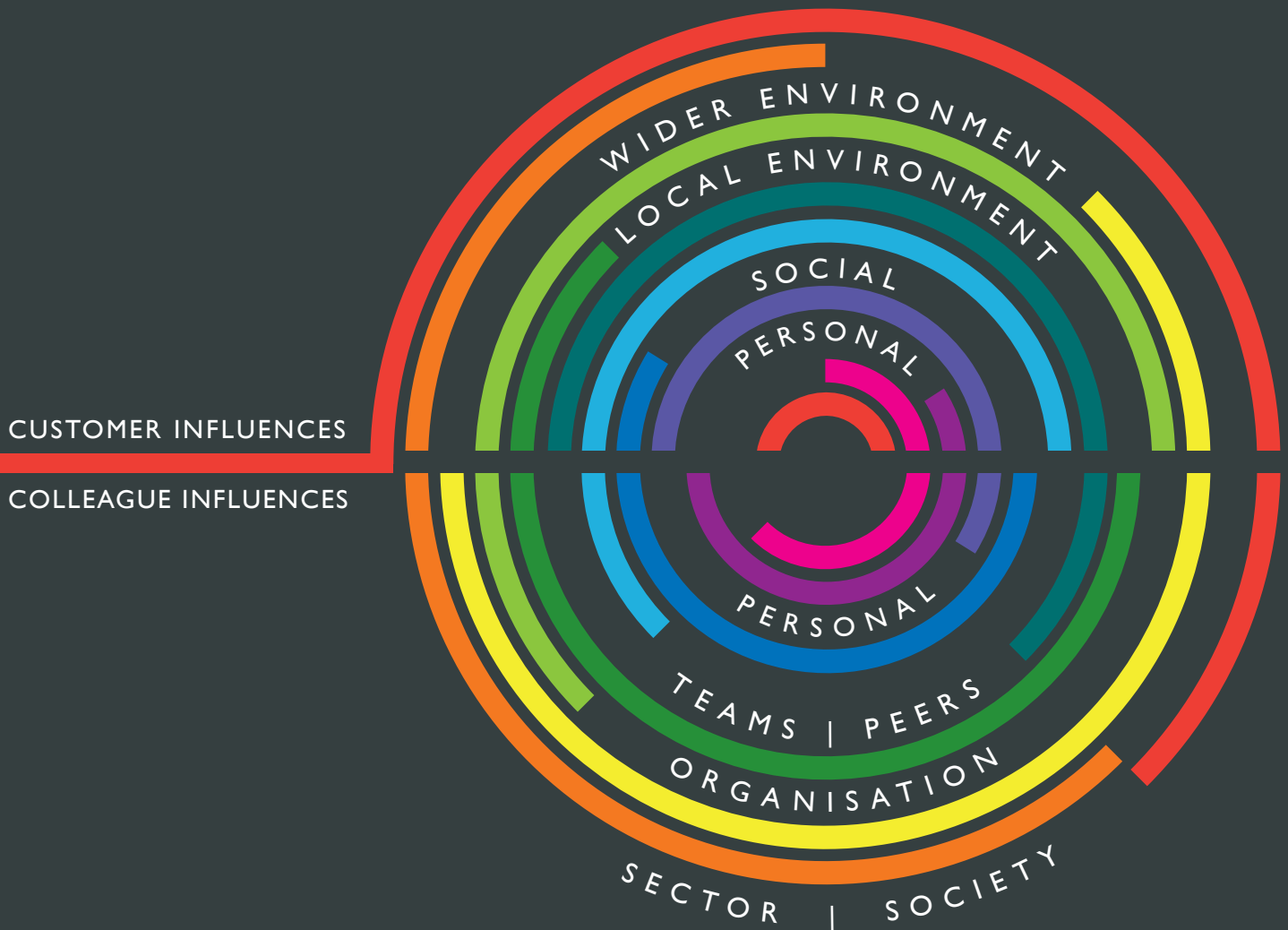


Diagram 2: Behavioural Influences of the Customer and Colleague

The Unintended Consequences of Getting Closer

by GARY ASHTON

Beware - getting closer to the customer is more than just refocusing the minds of your employees. It can mean a shift in power across the organisation, causing disruption around the executive table. So when making the move, recognise that there could be fall-out...

As Mark Cross indicated in his article, when businesses strive to gain an even deeper understanding of their customers and redefine their value propositions, they realise that internal change is a pre-requisite to enabling the delivery of those better, customer-centric propositions. And this change often requires an internal power shift, such as a shift in functional decision-making power; a shift from vertical to horizontal collaborative power; and/or a shift from traditional authoritative power to knowledge-based insight / sapiential power.

So let's now look at the different ways in which businesses are getting closer to their customers, and how power might have to shift.



Incremental Improvements to Customer Experience

Changing how the customer-facing parts of the organisation interact with the customer might only require changes within a function – such as rethinking the scripts for customer care teams, or how the sales team engages with the customer. However, these changes are often driven by greater insight from those tasked with analysing and understanding customer demand and experience. In these cases, the power shift is for the customer-facing managers to listen harder to and take guidance from those with the insights on data analytics. In the Pharma world, the Health Economics team is the rising authority influencing decisions. In FMCG it is the Customer Insight team. At its lightest, these insight teams offer advice. At their strongest, they drive strategy.

But if the organisation is creating new propositions, the power shifts to those working horizontally, across functions so that more rounded decisions can be made taking account of the knowledge and opinions across a multiple set of disciplines. Here a programmatic way of working becomes more important than the functional hierarchy, in order to redesign the value proposition.

I recall being an employee of a business who set up a big customer care change programme without building in better lateral working relationships between functions. It failed.

Meanwhile in the retail sector, the rise in home delivery volumes has required a fuller understanding of product profitability which in turn needs Commercial, Marketing and Supply Chain functions to work much closer together, to respond profitably to customer demand.

Radical Shifts in the Customer Journey

Then we have the more radical ‘ground-breaking’ changes to how you think and respond to your customer. And it is here that there can be some fall-out at the executive level.

In our experience across a range of sectors, the consequences have been the same – the departure of an executive, who sees their power diminishing, and cannot buy-into the new order of things. This has occurred when a common acceptance has built up over the years to accept the dominance of one particular function / player, which is now challenged by the need to be directed by another part of the business to drive the customer-centric agenda.

I have four examples to illustrate this:

A Shift Away from Sales to Marketing: Counter-intuitively, getting closer to the customer for B2B businesses whose products or services ultimately reach a consumer, can mean a shift of power away from Sales – who might have previously had a freer reign to drive the commercial strategy. However, when the need is recognised to more fundamentally understand and engage with the end-consumer, then the authority of Marketing increases, to enable the business to become more brand-led. Here, Sales can go through a combination of emotions from being relieved in getting better guidance, to being upset for no longer being top dog.

1

The Shift From Marketing to Supply Chain: The online channel has meant the rise in power of supply chain, for what was initially a new marketing and sales channel, that has subsequently driven the demand for home delivery. Argos for example have recognised, the battleground for the customer has moved from product (range, price, quality) to fulfilment (where and when), by committing to same day delivery whilst Amazon Prime have raised the bar with their delivery within the hour in London. With this consumer shift towards online, there have been various power battles on who calls the shots to drive both market share and profit. During these shifts, tensions can flare up between functions as they adapt to the changing conditions.

2

A Shift towards Sales & Marketing Business Units within Corporates: When the authority to drive the business is handed to Sales & Marketing Business Units, we often see that a focus and energy is unleashed that drives the group-wide operational services much harder. In this instance, care must be taken that the group services have the capacity, capability and motivation to respond accordingly, and that the business units do not mistake the additional authority for complete independence, and drive a too self-absorbed agenda that sub-optimises Group performance.

3

From Technical Experts to Customer Account Management: In technology / knowledge-based B2B service providers, the power historically has resided with the technical domain experts who tend to frame the world from their particular technical point of view and who hold resource-allocation authority. So by default they decide what takes priority. However, as the market develops and the customer matures from being in awe of the service provided, to demanding service improvements, this technical-centric view can inhibit business performance. This is when customer-facing roles who have a strategic relationship with the client, can better align internal priorities to the customer priorities. However, the transition can be painful, as the technical experts who previously had the power, initially resent the power loss, and then become demotivated.

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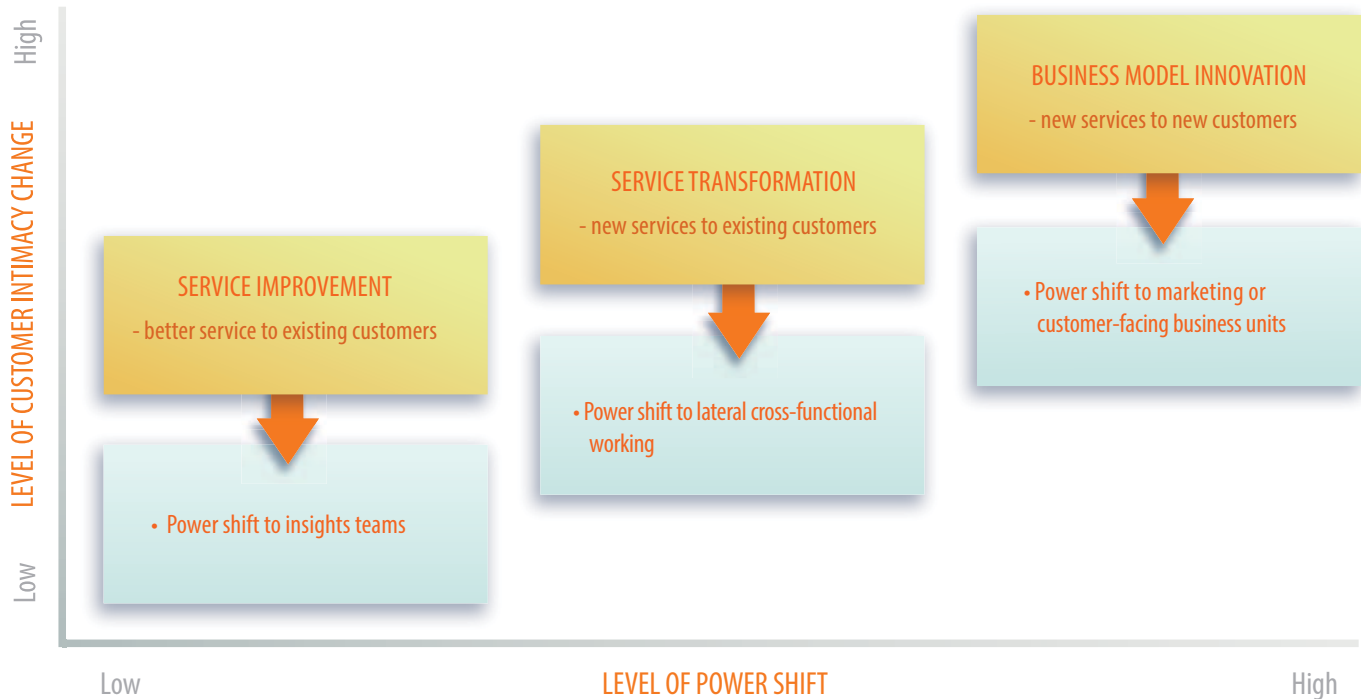


Diagram 1: Three levels of change in getting closer to the customer

How to Manage this Shift in Power

Making such significant changes can be problematic for the Executive Management Team, which has to adjust to the changing power relationships between executives. So if this is not addressed up-front, it can result in a lot of in-house wrangling, and counter to what was desired, cause a decline in customer focus and business performance.

So how to manage this?

Facilitation of the Executive Team is key to help translate the change in market conditions to changes in strategy and ultimately the operating model to get closer to the customer. This is done through exploring options and sensitively understanding the consequences on how decisions would get made, and who would have what authority. Mark Goodridge's article covers this in more detail.

In making the shift towards being more customer-centric there will be consequences for your operating model, and ultimately for the rules of the game about how decisions get made and who has the power to drive the business forward. This in turn has an impact on capability and motivation for those roles that lose power as well as those who gain power. So be careful – to realise your customer-centric goals might also require careful change management of your Executive.

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Beware - getting closer to the customer is more than just refocusing the minds of your employees. It can mean a shift in power across the organisation, causing disruption around the executive table ”

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Thank you for your Patience: A Customer Experience Tale

by SUSAN CARROLL

The film 'The Best Exotic Marigold Hotel' opens with newly widowed Evelyn Greenslade (Judi Dench) held in a call centre phone queue. She hears "thank you for your patience, your call is important to us. We will be with you shortly." She has clearly been holding for some time.

When Evelyn finally speaks to an agent, she is angry. "Just talk to me!" she shouts, pleading with the agent to go off script, to show some empathy and to treat her as a human being. The agent states "since the account is not in your name, I need to speak to the account holder." A stunned Evelyn gathers her courage to quietly reply "he's dead. There is only me." Unable to veer from her formulaic script, the agent repeats "since the account is not in your name..." Evelyn's thoughts are then narrated for the audience: "She spoke without a trace of humanity. As if she didn't realise I was going to pieces on the other end of the line."

When I first saw the film I wondered how realistic that experience might really have been. However having some insight into closing accounts for a deceased relative recently, I noticed how surprisingly variable the quality of services offered to bereaved customers can be. For large customer service organisations (like telcos) closing accounts following the death of a loved one is likely to be an unfortunate everyday occurrence. For an individual, it is more probably a very difficult task that is being faced for the first time. Like Evelyn, amidst the grief there are necessary administrative tasks to be done at a time one least feels like tackling them. When one can barely think straight because of bereavement, it would be nice to think that practical (and empathic) help might be offered from those that have more experience.

Continued overleaf...

Thank you for your patience, your call is important to us. We will be with you shortly. All our lines are busy at the moment, you can hold for an operator or call back at a less busy

The Bank (Rating: Customer Hero)

Given the circumstances of my own situation, closing bank and savings accounts was my first daunting task. Using their website, I quickly found a central number I could call as speaking to someone was my preferred option. The recorded telephone menu was straightforward and soon I spoke to an agent who made me an appointment at a local bank. Prior to my appointment a letter arrived advising me what I should bring along. Having such a list was very helpful as I too was tackling this emotionally difficult process for the first time. On the day of my appointment I was therefore able to arrive prepared. The bank adviser greeted me in person and took me to a side room. She even asked me if I would like a cup of tea before beginning the process of closing the accounts. She was very kind and was patient with me if I had an emotional dip. Every step of the way I was offered useful help and guidance. She explained that as part of their service the bank's bereavement team would write to each company that had a direct debit/standing order to explain why no further payment requests should be made. At the end of the meeting I felt I had received excellent customer service and was much calmer as a result. With this first significant task complete, I packed a small suitcase and went away for a short time to stay with my family.

Telco 1 (Rating: Zero)

Before I went away, I called Telco 1 to advise them my relative had died. Like the bank, I got through to a human fairly easily and quickly. The agent I spoke to advised me that a bill had already been dispatched. That's fine I thought. I shall pay that when I return. However, upon my return (a Saturday morning), there was a red bill on the doormat (addressed to the deceased account holder) requesting immediate bill payment. This was the very first written communication (to the home address) that had been received. It was upsetting as I'd hoped an obvious pattern of 'on time' payments never been missed until now might have triggered a different approach. When I listened to the home phone messages, to my surprise there were also a series of voicemails from Telco 1 advising the account holder to call the finance team to settle the bill. Hmmm... Had I not advised Telco 1 some days before that the account holder was now deceased? (Surely this should have been noted quite prominently in the account records to provide a rather big red flag for Telco 1?) I picked the telephone up to call. The phone had actually been cut off but

attempting a call prompted an automatic redirection to the accounts team without needing to dial a number. I thought it very clever to join debt collection processes up in this way.

Going through the menu options I again spoke quickly to an agent. Unfortunately my experience began to mirror that of Evelyn's. The agent stuck doggedly to her script displaying an extraordinary lack of empathy. Although I explained very early in the conversation the reason for my call, she moved almost seamlessly from a perfunctory "I am sorry for your loss" to "how do you want to pay this bill?" Her attitude floored me. I wondered if she were unable to understand me or detect any emotion in my voice. By sticking so rigidly to her script what came across to me was that the agent thought I was lying.

As a business psychologist I realise we are all made up of dark and light. During workshops I am able to take participants through a change curve (interestingly built on the Kubler-Ross bereavement curve) where different emotions and behaviours may be displayed. Up until this point in my life, my own dark side has put in relatively few appearances. However, as my grief quickly escalated into incandescent rage, my dark side chose its moment. It put in a spectacular guest appearance. Words I barely realised I had in my vocabulary suddenly burst forth to take starring roles in my sentences. Although I found this disturbing, I must also admit I found it strangely satisfying to have an outlet for some of my anger. It may be that I moved several places along the change curve during a 20 second period.

After this outburst the agent's script was of little use to her. The call plummeted to an even lower point when she told me I would have to call again on Monday morning to speak to the bereavement team. Call again?? Could she not transfer me or even log a call back request? None of these were options available in the process unfortunately. At this point it seemed a criminal offence that Telco 1 could link up and automate its debt collection processes but have such an epic fail regarding customer care. The experience led me to find and complete a customer feedback form for Telco 1 within their own website. At the time of writing (four months on), I have received no response other than an automatically generated reference number returned a few seconds after hitting the 'send' button in their web form.

hold the line. What is the nature of your enquiry today. I'm sorry I do not understand. All our lines are busy at the moment, you can hold for an operator or call back at a later time. To select the one of the following option. In one sentence please state your password. How can I help you? In order for us to connect you to the right department you need to enter a reference number.

Telco 2 (Rating: somewhere in between)

A week or so went by and a letter from Telco 2 (addressed to the deceased) arrived stating that an account held with them would be suspended within seven days unless payment was received. I did not know what this related to as I knew Telco 2 was not my relative's mobile phone provider. At this point I also began to wonder whether the bank had delivered on its promise of proactively contacting organisations as I'd expected. As I now needed to call Telco 2 to clarify things, I wasn't looking forward to it.

Telco 2 prides itself on being 'digital' so contacting customer services was immediately challenging. Via the website an existing customer can log into their account to access customer services. As I wished to close an account on behalf of someone else it was seemingly impossible to even get started via digital means. The letter I'd opened offered existing account holders an option to dial 150 from their mobile phone. Unfortunately this was no help to me as I reasoned that the account must relate to a 4G WiFi device which clearly I could make no call from. However, the letter provided an alternative telephone number for existing customers so I tried that.

The telephone option menu appeared to have many, many, levels. Each time it appeared I needed to enter the account number. This was helpfully referenced in the letter too but after entering it I was thwarted by requests for passwords or other codes once I was through. I called several times and tried different routes and permutations of keypad options. It seemed as if I was falling into an endless series of rabbit holes that I could only escape by ending the call each time. It was very frustrating indeed. On my way down the rabbit holes I was offered an endless array of customer hints and tips but could not find my way to actually speak to a human being. With no email option either, I decided to write and post a traditional letter asking that the account be closed.

Two weeks later, I received another letter addressed to the deceased stating that the account had been suspended until payment received. Clearly my letter had not found its way to the accounts team. As a last resort, I turned to social media. Eventually I found some useful community responses. One actually suggested how to get through the telephone option system if you happened to be a bereaved relative. I called again, followed this suggested route through the options menu - success! Once through, the customer services representative I spoke to was wonderful. She spoke to me conversationally without a regimented script. She really listened and was empathic. She believed what I was saying. She took lots of notes, repeated back her understanding and said she would send an email to the bereavement team on my behalf. She also responded well to my request to perhaps make contacting the bereavement team easier up front via the website or web form. A week later a letter arrived confirming everything the agent had said - the account had been closed with no need for any payment to be made.

Continued overleaf...



At this point it seemed a criminal offence that Telco 1 could link up and automate its debt collection processes but have such an epic fail regarding customer care.



te the nature of your enquiry, please select from the following options: so we'll direct you to the appropriate department. If you're calling from a landline, please hold for an operator or call 0800 123 456 from the 0800 123 456. If you're calling from a mobile phone, please hold for an operator or call 0800 123 456 from the 0800 123 456. All our operators are busy at the moment, you can either wait or call back later. Thank you for your patience. We'll be back to you as soon as possible. All our lines are busy at the moment, you can either wait or call back later. Thank you for your patience. We'll be back to you as soon as possible.

Telco 3 (Rating: Customer Hero)

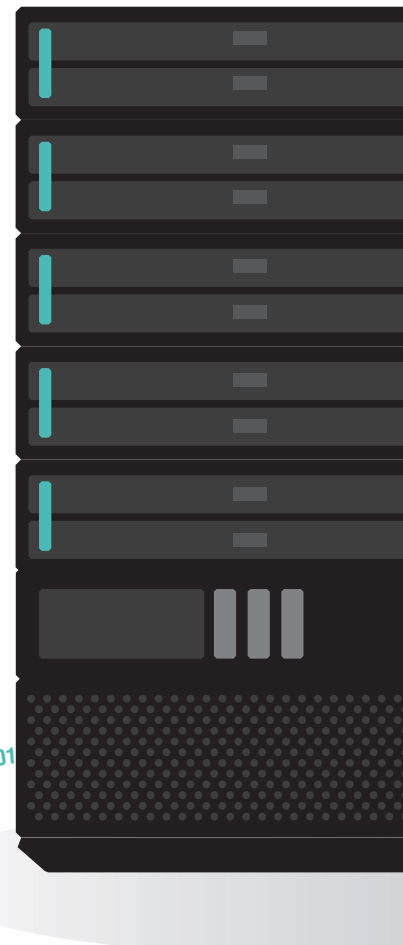
Coinciding with my Telco 2 experience, a letter arrived from Telco 3 (the mobile phone provider) addressed to 'the executor'. It was a gentle, thoughtfully constructed letter that, like the bank, provided details of what I needed to do next. A direct telephone number was given along with the name of a customer services representative. I called and immediately spoke to a very nice person who was exceedingly polite, empathic and helpful. She handled the call very sensitively indeed and stated that no charges are made in these circumstances. A few days later I received a follow up letter confirming the action that had been taken and the letter signed off by wishing me well. I realised that the bank really had acted as it said it would. I also realised that in linking up so well with Telco 3 it had been an admirable process for handling bereaved relatives. This did contrast starkly with the woefully inadequate Telco 1 experience and the 'fine once you got through' experience with Telco 2.

Learning from Evelyn

Stepping back, it's relatively easy to see where organisations can make simple, basic improvements to the customer experience. I realise, and indeed also teach others, that managing our own behaviour and responses more positively can lead to better outcomes. My own customer journey enabled a very real experience of where misplaced 'standardised' behaviour and responses can quickly enflame a delicate situation. There is a time and a place for an automated response and it is so very important for customer facing organisations to get this right. Get closer to the customer. Stop, listen, understand and imagine things from another's perspective. We all have the capacity for empathy but to do this we need to come off-script.

Evelyn was enterprising in that her own experience enabled her to land a job teaching young call centre colleagues to develop more emotional intelligence. Being a very gracious woman, she helped them learn cultural differences, to move off script and to speak in more empathic ways. But it's not just about improving agent training. It's also about looking at processes and how to be more joined up. When standardising the front and back end processes for bereaved customers, please make it easier, not harder than it should be. Otherwise grief is escalated to become frustration and ultimately a burning rage. Thank you for your patience.

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Has your Salesforce got the X-factor?

by **MARTYN SAKOL**

The sales team is typically at the interface between an organisation and its customers. Whilst the role of Sales is undoubtedly evolving with the explosion in online technology, they continue to play a vital role in understanding and influencing customer behaviour.

This is the story of how we helped one client identify the key components of their Sales Forces 'X' Factor.

Continued overleaf...



Our Client:

A global technology company, offering B2B products and solutions that enable commerce in the areas of customer information management, location intelligence, customer engagement, shipping and mailing, and global ecommerce.

The Market:

More than 1.5 million clients in approximately 100 countries around the world.

Their Challenge:

Recruiting and retaining high calibre salespeople in their field sales force.

The Problem:

Only 10% of the field sales people recruited were performing at top quartile after one year - despite considerable time and money spent on recruitment, including assessment centres, candidate profiling and competency based assessment.

Our Hypothesis:

Our client wasn't recruiting the right behaviours. With a 'hit rate' of 1 in 10 they might as well go into a local pub and appoint the first 10 people they see...

The Solution:

Need to identify the sales 'X Factor' - those behaviours, competencies and character strengths that would significantly improve the hit rate.

“ The top quartile groups were more visibly energetic. They moved around the room more quickly, their speech was more paced, and they put their points across more forcefully. ”

Getting Under the Skin of Sales

We decided to get under the skin of the field force sales role. This meant we had to look at behaviours, competencies and personality factors, of the most successful 10% to really understand what influenced 'top' sales performance.

We undertook a range of sales manager interviews, field sales consultant focus groups, and interviews with the key senior managers to understand their expectations and perceptions of the sales role, and their views on what helps and hinders sales performance.

The focus groups were split into three types - high, mixed and lower performing sales people, as determined by previous years sales value. What did we find?

We identified six personality/behavioural factors and three competency/behavioural factors shared by the top performing sales people:

Six 'Observed' Personality and Behavioural Factors from Focus Groups

1. Noise - The top quartile groups were louder in decibel terms, and spoke more frequently.

2. Energy - The top quartile groups were more visibly energetic. They moved around the room more quickly, their speech was more paced, and they put their points across more forcefully.

3. Rapport building - Making a good first impression - The top quartiles more often, individually introduced themselves, shook hands, welcomed the facilitators to the session, offered refreshments.

4. Networking - At least one respondent in every top quartile group, (often more than one), made a connection with the OE Cam facilitator e.g. "You guys did some interesting work with Vodafone. Was that with? ... I know..."

5. Dress - Can be a very subjective observation, but top quartile groups clothes were newer, more fashionable and 'smarter'.

6. Internal locus of control - The top quartile groups were more likely to attribute their success to their own behaviour. The lower quartile groups were more likely to blame the company for their lack of success. For example, the contact centre not being responsive enough, their sales order fulfilment equipment not being effective enough, their territory being 'weaker' in terms of potential.

Competencies and Behaviour Factors from Focus Groups and Interviews

7. Internal relationship building - where it counts

We interviewed the managers in the contact centres (where customer orders are fulfilled). Feedback from these managers showed marked differences in their perceptions/opinions of individual sales people. The higher performers were rated more positively by the contact centre managers. For example feeling valued by them, seeing them more often, being thanked by them for fulfilling orders quickly and accurately, and in a few cases, remembering birthdays, sending flowers / chocolates to thank them for discretionary effort, and knowing everyone's name.

8. Customer and internal networks combined with drive / energy / effort

The higher performers reported more contact points by a factor of 1.5 (compared to the medium performers), and a factor of 2 (compared with the lower performers) with both customers and internal networks. Put simply, they made more appointments in general, and spent longer with customers.

9. 'Better' time with customers

The higher performers had both broader and deeper relationships with customers (they knew more individuals within the customer business), and deeper relationships (they knew and were interested in, their customers personal drivers/agendas issues).

The Combined "X" Factor

This B2B technology case study suggests that The Sales X Factor, comprises the right engagement model with customers, the right behaviours, the right relationships within your own company, an internal locus of control, and time and energy.

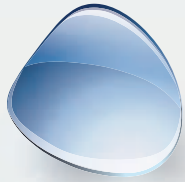
These insights may seem obvious. However, it is important to emphasise that with this B2B client, we found that customer contact was as much about *focus* as much as it was about *time*. Whilst the top quartile performers had more contact time by a factor of 2.0 compared with low performers, they often had fewer accounts overall and spent more time with each of those accounts relative to lower performers.

The highest performers focused on building deeper relationships with fewer customers. And, linked with this, whilst the top performers often had significantly larger networks within their company, there was both a frequency and intimacy of internal contact reported.

In essence, the key X Factor differentiators were the quality, depth and therefore durability of relationships, externally and internally.

This combined with the six personality and behavioural factors, became the focus for this clients field sales force recruitment, development and retention.

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OE Cam

DELIVERING ORGANISATION EFFECTIVENESS

Organisation Effectiveness Cambridge (OE Cam LLP) is a specialist firm of business psychologists and consultants who maximise the effectiveness of individuals, teams and organisations.

We believe that organisational effectiveness can only be improved through tackling the 'hard' with the 'soft'. We view your organisation from multiple perspectives – the behavioural, the structural, the cultural and the economic so that we get to the essence of your challenge and deliver bespoke, feasible and sustainable solutions.

Our clients span industry sectors and international boundaries and include: AB Foods; AB Agri; BBC; Carbon Trust; City & Guilds; The Coal Authority; Collier Capital; Connect Group; Daiichi Sankyo; E.ON, Internet Watch Foundation; Mundipharma; Odeon & UCI Cinemas; Primark; PRS for Music; Ryder; Simmons & Simmons; SuperGroup; Thorntons; Travis Perkins, University of Cambridge and Yorkshire Water.

We see organisation effectiveness as a combination of organisation development and talent management:

Talent Management

- **Executive Assessment** - we identify "disruptive talent" and deliver individual and team assessments to give you confidence to make strategic people investments, including succession planning, recruitment and pre/post M&A due diligence
- **Leadership Development** – we define and build leadership capability to deliver your strategy. We create learning experiences that impact the bottom line and facilitate executive teams for performance improvement and business growth
- **Executive Coaching** – we have considerable experience of coaching senior managers, often in quite sensitive situations. Through our work we know and understand the business environment, the cultures and the business pressures. This enables us to relate to demands and uncertainties often felt in post, across different sectors, disciplines and organisations
- **Performance Management and Reward** – we create the processes and skills for managers to set objectives and measures and ensure that feedback is constructive and that achievements are properly recognised and rewarded.

Organisation Development

- **Board Development** - we review and develop board effectiveness and work with executive teams on governance and organisational impact
- **Organisation Design** – we create aligned, accountable and agile organisations by assessing how coherent your organisation is now and developing options for where and how it can be improved
- **Organisation Improvement** - we analyse before delivering interventions that will make the business work as intended, build collaboration and communities whilst retaining accountability and performance. We work with teams to grow businesses, build your strategy, increase capability and implement change
- **Culture Audit and Development** - we change cultures to become more innovative, customer centric and performance orientated. Using both quantitative and qualitative tools we can assess organisational and leadership culture; compare and contrast cultural synergies, variances and determine the extent of cultural 'entropy'. We develop systems, processes and capability to deliver cultural change.

We are a boutique consultancy, which means that your experience with us will be a personal one. We will invest the effort to get to know you and your organisation to jointly deliver the outcome you are seeking. We are proud to be an employee-owned company.

For more information please visit www.oecam.com or call us on +44 (0)1223 269009.

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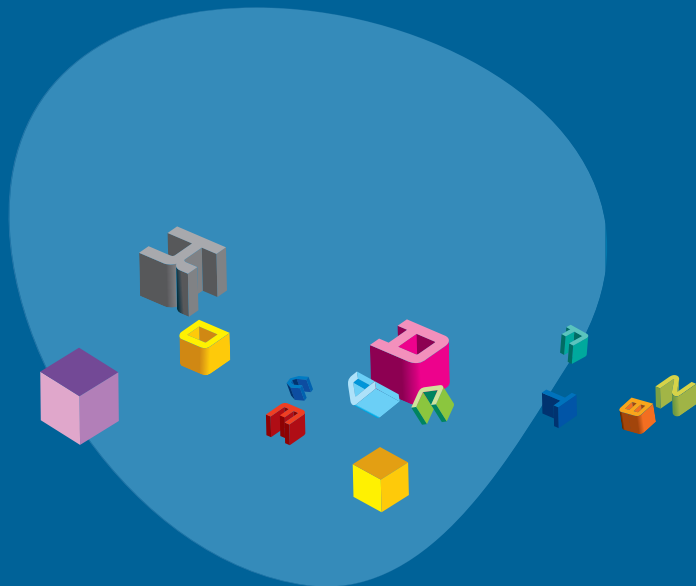
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