

Mind the Gap: How You and Your Customer Perceive Performance Can Be *VERY* Different



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Beyond Philosophy Services:

Beyond Philosophy is recognized as the worlds thought leaders in Customer Experience. We have written three international bestselling books on the subject. Formed in 2002, Beyond Philosophy works internationally with organizations such as IBM, FedEx and American Express to name a few, from our offices are in London, England and Atlanta, Georgia, USA.

We help improve our clients Customer Experience by harnessing our knowledge and experience of practical implementation around the globe. We have proven expertise in de-risking implementations, increase speed of project delivery and saving costs through our engagements. Our tools and techniques are renowned for their practical application and have been tried and tested in many sectors.

Our services are:

Strategic Guidance – We work with all levels of management in an organization and guide them on the decisions that need to be taken to improve their Customer Experience. We start by asking three key strategic questions:

-  What is the Customer Experience you are trying to deliver?
-  What emotions are you trying to evoke?
-  Is your Customer Experience deliberate?

Our consultants work with the organizations to answer these key questions and put in place actions that will improve the organizations revenues, retain customers and save costs.

Training – We have well developed training programs for organizations from senior leadership to front line people. We also have developed specific training for Customer Experience professionals, whom we train and certify on our tools and techniques. We believe in “experiential” training, getting the delegate to feel what their Customer Experience is really like. We use real-life case studies to demonstrate our key points.

Market Insight and research – We specialize in conducting Customer insight on the subconscious and emotional aspects of the Customer Experience. We have developed models, with London Business School, that can predict revenue benefit an organization can enjoy through improving their experience. We put in place measurement tools that can measure the total Customer Experience.

Conference speaking – We have a team of people who deliver high quality conference speeches around the globe on how to improve your Customer Experience.





It's All about Perception

Think about how you perceive your company's performance. Now consider what your customer would say about your company's performance. Customers have an entirely different perception – a perception that ultimately determines whether or not they choose your service or product and whether they'd recommend your company to others. The more you know about your customer's perceptions, and how they make their purchasing and business decisions, the more successful your company will be.

We enable our clients to look at the entire customer experience from their **customer's viewpoint**. The best way to do this is by asking the customer. We often find that companies make assumptions that prove to be incorrect once the right questions are asked of customers. We identify considerable disconnects in how well a company thinks it is doing and how the customer perceives the experience. **When companies bridge that gap in perception they increase the value that both customers and the company receive.**

How This Applies To Sales Success

We provide sales organizations with an honest and unbiased appraisal of how they are performing and where they need to concentrate:

-  To build and extend business relationships, and
-  To improve the overall customer experience (both physical and emotional).

By comparing the customer's perceptions and the sales team's perceptions, we provide a **gap analysis**. This enables organizations to concentrate on reducing the gaps in perceptions. This contributes to reducing costs. How so? Our experience is that sales organizations expend effort in some areas that are not of great importance to their customer. Shifting that focus, in many cases, reduces effort and the associated costs.

Just to be clear, the emphasis is not on evaluating the internal sales process but how the salesperson **relates** to their customer and how their customer **perceives** performance and relationship. Salespeople can have solid sales processes, manage their funnel, and close deals but fail abysmally in managing the customer relationship. What we've discovered often goes wrong, in the rush to do business, the salesperson:

1. Fails to determine and place appropriate emphasis on the customer business and loyalty drivers (what's most important to the customer and drives their buying and adherence decisions)
2. Falls short in uncovering and discussing customer perceptions and expectations - after the sale.



An Example of Customer Perceptions and Expectations

Here's an example about customer perceptions and their impact on a relationship and subsequent revenue.

We worked with a Fortune 500 company and one of their top tier customers, a leader in the financial services industry. Our client was continually increasing their resources to work with this customer. And the customer continued to be highly dissatisfied, spending less of their IT budget with the company, and threatening to take all of their business elsewhere.

Clear, open, and honest communication was crucial in fixing the problem between the companies. We provided some “industrial strength marriage counseling” to both companies which encompassed:

- ✦ Delving into the perceptions about performance and the relationship was the first step. This was accomplished through a series of in-depth interviews of key individuals in **both** companies.
- ✦ The questions we asked explored performance satisfaction levels and identified customer drivers (the importance rating of buying and business criteria), competitive stance, loyalty, and relationship.
- ✦ What we found was a surprise to both parties. We discovered that the biggest culprit of dissatisfaction and wasted expense had to do with **expectations**. The customer had expectations that weren't known to the company.
- ✦ Once expectations were discovered and analyzed, it was a matter of sitting down with both parties and getting all of those expectations out on the table.
- ✦ We presented the expectations and how they related to customer drivers (what's most important to the customer's business) as a means of **prioritizing where to direct attention**.
- ✦ Next came talking about where expectations could or could not be met. Again, candid communication was vital. We accomplished a compromise which worked for both companies.
- ✦ This exploration and negotiation also began a more harmonious communication between the two companies.

The outcome:

- ✦ Alignment and more efficient usage of resources (sales, technical support, executives, etc.) were applied effectively to what both parties agreed were key areas of importance. This resulted in reducing the costs associated with selling and supporting the customer.
- ✦ Regular, open measurement (via written and oral assessments), and communication of how performance and the relationship were perceived.



- Immediate and successful action plans to stem any issues or potential problems uncovered.
- Increased retention/loyalty resulted in the customer giving more business (increased revenue) to the company directly *and through recommendations to other companies*.

Concentrating on narrowing the gaps in perception, and openly discussing and compromising on expectations benefited both companies. The improved efficiency (and reduced costs) came about through better alignment of resources. Increased competitive differentiation and revenue were derived **by focusing and excelling at what was most important to the customer**.

In Closing

Ask your customer, listen carefully and take action. Let your customer know the action you're taking. And let them know you are eager for feedback. Most important: don't ask your customers for feedback unless you are absolutely committed to take appropriate action.

One last observation is about competitive differentiation. Most companies collect competitive information through industry research and comparison, and rely on this information solely. We agree that industry comparison is important, however, companies are missing a critical channel for highly valuable competitive information. Asking your customers how they perceive your competition is ideal. What better source for understanding how your company is perceived competitively – *is it differentiated, equal, or disadvantaged competitively* - than to ask your customer?

About the Author

Sue Morgan is an associate with Beyond Philosophy, a consultancy, training and Customer research organization. They are recognized as thought leaders in the Customer Experience and are located in London, England and Atlanta, Georgia USA. Sue has a background of working with top tier companies on maximizing the profitability of the customer relationship. For further information on the Customer Experience, and to read Colin Shaw's blog and videos, please visit Beyond Philosophy at www.beyondphilosophy.com