

Putting Promoters to Work: A 360% Increase in Revenue Over Three Years (A Case Study)



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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.



A Little Background

A Fortune 500 sales team, in the high tech industry, selling to a leading retail company was tasked with dramatically increasing revenue over a three year period. Sales management already knew the customer was experiencing performance problems and were concerned there might be relationship issues, but were unclear of the exact impact on revenue. Sales management was extremely motivated to learn and apply any new tools to help them meet their revenue stretch goal.

Assess the Current State of Performance and Relationship

Our first step was to run an assessment of the current interaction between the high tech company (vendor) and the retail company (customer). The assessment included:

- ▶ Performance: importance and satisfaction encompassing products and services, and account management/sales team.
- ▶ Loyalty: overall satisfaction and relationship (how the relationship provided value to their business and their Likelihood to recommend, Net Promoter Score).
- ▶ Competitive stance: compared to the competition and which company is perceived as best.

The assessment identified some key problems in performance, as expected. Some products were not delivering as promised, and there were some ordering and delivery operations that did not meet expectations. In addition, the open-ended questions captured some relationship issues impacting loyalty and Likelihood to recommend.

The assessment and action planning that followed identified exactly where the performance and relationship issues were occurring, their impact, and guided the development of an effective, mutual, course of action.

The action plan had two purposes:

- 1) Reduce/eliminate performance issues and build a solid operational foundation to **reduce costs** associated with selling to and servicing the customer, and
- 2) Improve, strengthen, and leverage the relationship to **increase revenue**.

Customer Data and Action Plans: Approach Issues as Opportunities

It's important to note that the assessment was positioned as a sales tool. This was a unique opportunity to illustrate the vendor's understanding of the customer, their business, and what was most important to their business. Addressing what was not going well and strengthening what was going well were essential leverage points **to mutually look for opportunities to do more business together**.



The assessment collected how important each attribute was to the customer's business ***not just how satisfied they were***. This helped determine the priorities behind purchasing and business decisions, as well as what was promoting or deterring loyalty. Gathering both Importance and Satisfaction ratings identified and aided prioritization. Ensuring focus on the most significant gaps (between Importance and Satisfaction) to address.

The issues (what was not going well) uncovered were categorized. For example, there were unspoken customer expectations and disconnects in the selling style or approach of the sales people, as well as the anticipated low satisfaction marks in specific product performance.

Preparing for and Conducting the Workshops

Great care was given to the interpretation and presentation of the assessment data. In an initial workshop with the sales team, we discussed the data, insights, and possible reasons behind the data. We also formed a preliminary action plan to present to the customer. In addition, we crafted a relationship strategy and communication plans. Determining the current relationship and defining the desired relationship was a critical step in developing the action plan and was employed, long-term, as a "roadmap" for the sales team.

In a joint workshop with the customer and sales management, we reviewed the data and preliminary action plan. Open and honest dialog was encouraged. The action planning began with the fundamental work to be done – improving the "operational foundation" (product quality, ease of ordering, etc.). The planning discussion advanced to improving the "relationship" (value derived from doing business together, wishes, wants, and needs). This second part of the session included a structured dialog to explore greater opportunities in the relationship (loyalty and Likelihood to recommend). The sales team's "roadmap" helped set the stage for what the customer was asked to contribute in regards to improving and expanding the relationship.

Vendor and customer discussed and reached agreement on:

- ▀ What was most important,
- ▀ What was going well and how to continue, increase, and leverage,
- ▀ What wasn't going well and how to fix it, and
- ▀ The current relationship and the desired relationship, and how to improve and expand.

The outcome was a mutual action to increase the mutual value of doing business together. By jointly developing an action plan, the communication between the vendor and customer was also advanced.



Leveraging Promoters - Putting Them to Work

So, you may be wondering, how did this assessment and action planning effort increase revenue? In gathering the customer loyalty data we discovered:

- ▶ Promoters (advocates who can influence and recommend),
- ▶ Detractors (those who would influence others **against** purchasing again or recommending), and
- ▶ Passives (those who had no real experience and therefore were not motivated to either advocate or deter others).

This invaluable insight was a key factor in developing the sales team “roadmap” mentioned earlier. This roadmap included communication plans and relationship strategies to:

- ▶ **Leverage** Promoters,
- ▶ **Engage** Passives and **shift** them to Promoters, and
- ▶ **Address issues and win over or neutralize** Detractors.

The roadmap guided the sales management and team to sell more broadly in the account. The plan included specific actions to sell across new organizations by leveraging the Promoters to introduce them to other purchasers in the company.

Achieving the Desired Relationship

The sales team was selling only to the IT department. The relationships in place, at the time of the assessment, were at the director level and below. The relationship with the CIO was negligible. There were no relationships outside of IT. In addition, this was purely a “sell to” model with the sales team in a vendor relationship which was owned by the director of IT.

The roadmap identified and drove new relationships and opportunities in the account. For example, sales management created a series of activities to build a Promoter relationship with the CIO and then to ask the CIO to introduce the sales management to other key organizations.

Building the CIO Promoter relationship entailed many actions and required “steering” the relationship over time. This was accomplished by crafting a relationship between the CIO and an equivalent level executive in the vendor company. Raising the level of the relationship provided greater ability for broader and more strategic dialog. The Promoter opened doors to Marketing, Operations, and other key organizations where relationships did not exist before. In addition, it provided opportunities for joint-go-to-market projects, bringing in significantly more revenue.



In order to advance the relationships, the sales management and team also needed to advance their skills. Shifting from a vendor to a more strategic relationship required re-tooling of the sales approach. This was achieved by developing a consultative selling style. Again, the assessment, workshop, and roadmap were all applied, in tandem with essential sales training, to effectively shift the sales approach.

The sales team was able to increase their revenue by 360% over a three year period by:

- ▶ Utilizing the assessment effectively,
- ▶ Focusing and aligning resources on priorities (what was most important to the customer's business) also reduced the costs associated with selling to and servicing the customer,
- ▶ Mutually developing an effective action plan, removing or alleviating performance, engagement, and relationship issues to create a sound operational foundation and to shift Passives and Detractors,
- ▶ Effectively increasing and leveraging Promoters,
- ▶ Specifically and artfully mapping and guiding the desired relationship,
- ▶ Adapting the sales approach and utilizing executives to broaden the footprint in the account and increase opportunities.

The essential ingredient in this case study were the Promoters who opened the doors to many, many more opportunities for the sales team to achieve a significant increase in revenue.

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