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Upstream: Leadership Origins Of Customer Experience

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by Ron McCulloch

Delivering superior customer experience is not only free as Bruce Temkin claims[1]; it is a vital profit engine that can mitigate a downward spiral of price-only competition. The article "Customer Experience: Roots and Reasons[2]" examined some practical details and implications of this claim from a retail consumer's point of view. Now I am shifting the focus to some of the upstream drivers of customer experience. Effective leaders espouse principles and create positive experiences within their organizations that extend to their customers. The spotlight is now on executives in three diverse areas: software-as-a-service; quick service dining; and electric power systems. Here, they reveal some of the principles and strategic priorities that have helped their companies to achieve uncommon success within their markets.

SciQuest - Leading by Example

During his approximately eight years as president and CEO of SciQuest[3], Stephen Wiehe and his leadership team have transformed the company from a struggling, publically traded dot-com laboratory equipment exchange into a growing, profitable, privately held software-as-a-service firm. SciQuest creates value and delivers savings to institutions and corporations by automating their procurement processes.

Wiehe takes an unequivocal stance regarding core moral values and leadership principles. He explains that you can teach principles, and must live them consistently by example, but ultimately "it's either in you or not." A key practice at SciQuest is to maintain deliberate contact with both the leadership team and the employees. Employees see and interact with the CEO on a daily basis. Spontaneous hallway conversations frequently offer better teachable moments in the organization than formal training sessions and organized staff meetings. Employees look for and can find readily available real-life examples of values in their leaders. SciQuest cultivates practical leadership in this context by routinely challenging each other and asking questions such as "how will this decision affect customers?" If your leadership team is not rising to the occasion, Wiehe suggests that it is probably time to get new leaders.

Especially in customer-facing activities, transparency is a cardinal value, regarding both product features and problems that may occur. SciQuest has adopted many customary business practices such as employing focus groups and client partners, but the company has amplified the practice of measuring customer satisfaction. They delve more deeply by internally predicting satisfaction metrics and comparing their estimates against actual data collected from customers.

A simple, but somewhat revolutionary principle that Wiehe also espouses is to "give away some power every day." This applies to customers in their ability to drive product features as well as employees' autonomy in their daily activities. SciQuest has empowered employees to make on-the-spot decisions to solve customers' difficulties, including giving away some additional services when necessary to deliver immediate value. To this end, Wiehe asserts "I don't want their money if I haven't earned it."

Chick-fil-A - A Servant's Attitude

Jerry Coleman is the owner and operator of two Chick-fil-A[4] restaurants in Garner, N.C. The company is well known for its customer-friendly culture, and ranks highly among industry metrics for service and quality[5]. Coleman describes the company as one that vigorously promotes constant learning along with service-oriented attitudes, principles and practices. These priorities begin with the CEO and are deliberately propagated through the chain of leadership to the line staff.

Since founding the company, S. Truett Cathy has been known for his commitment to delivering value, service and quality products. A recent manifestation of this commitment is Chick-fil-A's Recipe for Service[6] program, launched in 2007. In this program, staff members train and practice in mock restaurants to refine their skills and understanding of customers' needs and desires. The training essentially teaches service teams to choreograph their tasks to deliver optimal customer interaction and satisfaction. Another noteworthy example is Cathy's emphasis on adopting the language of hospitality[7]. It is now common for team members at most locations to answer "it's my pleasure" in response to customers' expressions of thanks. This practice reflects significant intentionality as it requires sincerity to sound credible, and is specifically meant to cultivate a servant's attitude toward both staff and customers.

In his restaurants, Coleman has made it a personal priority to "build a business of business people." He underscores the importance of developing the future of the business, versus allowing the entire operation to depend upon one person. Both self-evaluation and staff evaluation figure prominently in this perspective. In sum, "we already have people with brains — let's use them." Discovering and focusing on the strengths and passions of staff members allows them to unleash their talents, significantly improves morale and relieves pressure from leaders. It also cultivates the liberating perspective of not giving mistakes too much significance, while recognizing them and taking the right steps to fix them along the way.

ABB — Outside-In Perspective

ABB[8] is a Switzerland-based Fortune 500 company rooted in electric power systems and process automation. While the company is a global technology giant that engages in large-scale research and product development efforts, senior vice president Allen Burchett attributes much of the company's success to its dedicated fine-grained focus on detailed customer needs and a commitment to maintaining an "outside-in" perspective.

A key organizational priority in ABB is to deliver consistent core messages and display corresponding behavior across all levels of the organization. Among the more important points of message and behavior is their "outside-in" culture, which continually examines the company from customers' perspectives. This culture is expressed in a practical way when managers schedule visits to customers in concert with trips to other business meetings. The purpose of these visits is not to make sales calls, but to reinforce relationships by identifying pain points and concerns. The company also maintains a vigorous voice of the customer[9] program to characterize buying behaviors and preferences. Understanding total-solution requirements and project objectives is vital to ABB's competitive model of delivering value by realizing and meeting customers' true needs.

ABB makes the priorities and expectations of their culture clear from the beginning. The company works to instill core corporate values in new hires through the Backpacks to Briefcases program. The program represents the front end of their commitment to ongoing training. The cultural aspects of their values training are summarized in five strategic imperatives, as defined by the CEO:

- * Managing costs to remain competitive and attractive to customers
- * Putting the good of the company above that of individual units
- * External focus: outside-in customer perspective and measuring the company's performance against the outside world
- * Driving innovation across every area of the business
- * Absolute compliance with external regulations and internal rules

The Sum Of The Matter

The clear common threads among these three cases are personal integrity, a strong sense of customers' points of view, consistent actions, open communication and a commitment to serving others, both employees and customers. Individual staff members and managers may readily display these characteristics. However, it is incumbent upon top leaders to embody these traits in their daily actions and to require the same throughout the organization if they are to create thriving best-of-breed organizations and deliver superior customer experiences.

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