

# Customer Centered Communicationsã

## Using Information to Create Value for Your Customers

*By Rick Tate and Michele Richards*

Ask most any employee at work today in American business the same question: “What’s our biggest problem?” and you’re likely to get the same answer: “Communication!” How can that be? Look at the proliferation of technology that has vastly improved the way in which information is sent and received in corporations. Consider the inordinate amount of time we spend during the typical business day in meetings. What about voice mail, e-mail, pagers, cell phones, fax machines and computers? Yes, even with the multitude of communications technology at our fingertips...even with the increased knowledge base and education of the American worker...even with new concepts in leadership and teamwork, most people will tell you the major cause of problems in organizations can be attributed to “communication.”

We wonder just how much information we are communicating is really relevant to what people actually need to do their jobs in a way that creates value for our customers? Perhaps it’s time to consider that our communications problems lie not in “how” we communicate, but rather in “what” we communicate. Is the customer’s voice and evaluations the core of the information we channel through our organization, or are we simply using the progress in hardware and software to create better ways to communicate the same information we have in the past with new methods?

Would we have a different type of organization if we made the theme of our information processes “what the customer wants us to know” instead of “what does management want to tell and how do they want to tell it?” How much more effective would we be if everyone knew what was on the customer’s mind when doing business with us, what the customer truly valued, and what real experiences the customer deals with?

### **How Far Have We Come, Really?**

One of the reasons the “mom and pop” organizations of the 1920s and 1930s worked is because there was very little distance in time and space between a company’s employees and its customers. Communication was easy because there were fewer organizational layers which separated employees from understanding what their customers really wanted, needed, and expected.

During the next two decades, American organizations grew in size and scope, adding layers and layers of organizational structure between their employees and customers. Information flowed from the top, “filtering” through the middle management funnel and was eventually delivered to people at the bottom of the pyramid. There was no sinister plot to withhold information from people. Management simply felt that employees were uninterested and didn’t have a need to know certain information critical to the business.

In the 1960s, we became concerned about the morale and motivation of the workforce and began to see the need to improve the way we communicated with employees. Company meetings became a thing to do. Cross-functional staff meetings became normal. The “corporate newsletter” went to press all across the nation. Middle management was encouraged to “pass the word” down and keep people informed because we had learned that open communication positively impacted employee morale and motivation.

By the early 1980’s the emergence of a totally new economy would make our past practices ineffective. A major lesson learned was that in order to compete in an era that demanded quality products and quality performance, it was critical to have the active involvement of people. As a result, the need for better employee communications structures emerged as the need for information sharing between departments was becoming a critical business strategy. Here is where we saw the growth of the global employee newsletter, employee forums, meetings with management, problem-solving teams, advanced quality circles, TQM initiatives, etc. Like never before, employees had access to an overwhelming amount of information from a multitude of sources.

But the nature of the information passed along didn’t really change that much. People were better informed about organizational “events,” pay and benefits issues, who was being recognized for exceptional performance, new business ventures, who got promoted, and so on. There was improvement in data about the quality issues with regard to product production. There was some business news, but it was normally just a report on sales, profit, earnings and budget. And, it was communicated in a macro sense which still left employees (with perhaps the exception of those in sales and marketing) in the dark about just how they individually connected with the company’s success.

### **But, Where Did the Real Customer Go?**

By the end of the 1980s, we saw the “internal customer” concept take hold. By introducing the idea of serving an internal customer, organizations were attempting to bring each employee down the line closer to the user of its products or services. “I’ll serve the customer, you serve me, and your internal customer will serve you. In the end, we’ll all be working toward the same goal.”

It was a new and impressive concept, but unfortunately one that delivered some unintended consequences. In many cases, a new hierarchy was created that merely replaced the old one. Support functions such as Human Resources, MIS and Engineering now perceived that they were less important than those who were in direct contact with the paying customer and it was their job to be at the mercy of the Sales and Marketing and operational functions. Many times this situation created more hostility and lack of cooperation than what we had before. And all it took was for one function in this linear organizational structure to be out of focus on what the primary objective was to sub-optimize the results of the whole organization. Anyone who has ever struggled with the ritual stringing of Christmas lights knows all too well what happens when one bulb goes awry – the entire string doesn’t work and we fail to meet the ultimate goal. Further, the time it takes to solve the problem of “one small bulb” is great and the agitation is profound.

Much like the weak link in a chain, when people move in different directions, the effect is disastrous.

The “internal customer” also failed to create the support employee’s connection with the paying customer. Many times internal customers were demanding fulfillment of requirements merely because they were now in a position to do so, not because these demands created value for the paying customer. In many instances, the paying customer was once again lost due to the internal struggles raging within a company – ironically all in the name of serving the customer!

Yes, by the mid 1990s, we were incrementally better at communicating with employees and understanding customers. But, the external environment had not changed incrementally over the past 30 years – it had changed *fundamentally*! And our efforts were not paying the dividends in bringing about the type of change that was really needed, or that most business leaders really desired.

### **Massage Therapy**

But what to tell employees? The truth? Unfortunately, the “message du jour” was massage therapy – candy coated information which presented a view of things through “rose colored glasses.” “*Time are tough; we have challenges..., but we’re the best, always have been, and everything is under control.*” Messages about the realities of the new economy were massaged to the point that many did not see the urgency and importance of individual change. We still held on to the dependency model of the 1940-50s in which the employee sensed that they would be taken care of and that the organization had things figured out.

And without a shared sense of what was really happening and the consequences of not changing fast enough, we labored through times in which credibility was lost as many suffered those consequences without being duly prepared. How many employees in the 1990s have been victims of corporate downsizing without even understanding the real business issues which caused them to lose their jobs?

### **Moving Forward?**

To be successful in the future, we must look to another model of communication. One which will have at its foundation that shared sense of reality, the shared knowledge of the real threats to business success that are needed to galvanize employees and create and sense of urgency to tackle those threats. What we so desperately need in business today is a revolution in the way we gather and disseminate information in our organizations. We have the tools, but we’ve been focusing on the wrong information. It’s time that we take a good hard look at “what” we communicate in our organizations and decide that what we’ve been doing for the last half decade will not cut it for the future.

Believing in and talking about a customer-driven approach is one thing; delivering it is quite another. Being really customer-driven hinges on one critical business factor – every single thing we do must be centered on bringing the customer back to do business again!

Many people long for the past when businesses were smaller and the link between the store operator and the customer was unfiltered. Relationships between owner and manager with their customers were strong because the separate parties had more personal knowledge of each other. Today, technology allows us to return to the advantages of relationships past, while simultaneously utilizing the advantages of being big. We're now able to put information into the hands of those employees who serve customers directly and indirectly. Customer information put into the hands of employees allows them to perform their jobs in extraordinary ways.

So knowing this, why are we so reluctant to share valuable customer information with all employees? Perhaps we're holding on to the old beliefs of our corporate ancestors who felt that employees didn't need to know certain information and were uninterested. Or, maybe we don't trust our employees with customer information. It's also quite possible that we don't spend time on a customer agenda because we don't have enough "real" information about customers. We may have at hand customer statistics and numerous reports about customer purchases. But do we really have the type of customer information that lets us truly understand what the customer values when they do business with us?

In any case, we must begin to examine these assumptions that serve as the foundation of our actions and rationalizations. If we do not change our fundamental theories and beliefs we will be severely hampered in our attempts to improve our business practices and capture the involvement of employees. We must move towards a "right to know" theory of customer information. We must have a "shared sense of reality" theory when it comes to deciding what information people should have. With the right philosophy, we can move toward implementing the tactics necessary to improve the customer value our organizations offer.

### **Usher In Customer-Centered Communications**

If the goal is clear – to focus organizational insights, efforts and talents on creating value for the customer – then there is an effective approach: Customer-Centered Communications©.

*Customer-Centered Communications* means ensuring that every employee in your organization has an intimate knowledge of your customers' wants, needs and expectations through the distribution of information.

In order to foster real, fundamental change in the way we use information to create value for the customer, we must first understand the challenges that lie ahead for creating this change:

1. How do we begin to emphasize WHAT we communicate to our employees, after so many years of focusing on HOW we communicate?
2. How do we use information to help our employees get closer to our customers, when our corporate culture may lack basic trust in people?
3. How do we harness employee talents, insights and energies toward serving end-user customers, when we've encouraged them to spend so much time focusing on serving each other?
4. How do we use information as a strategic tool to make it easier to manage our organizations?

5. How do we treat employees as partners in our business, and set the expectation that they behave the same way?

The old model of employee communication was linear and inward looking. It was linear in that information about customers typically entered the organization through one or two sources. Information was watered down and passed on until when it reached the support functions it was nothing more than “nice to know” information. The old model was inward-looking because it relied heavily on the internal customer concept. One department only need know enough to serve its internal customers and had no regard for what was happening outside the organization.

The Customer-Centered Communications© model is fundamentally different. It’s chaotic. And, as we’ve learned in recent years, order is born out of chaos. It’s outward looking. It relies heavily on an employee’s “right to know” customer information... real customer information direct form the customer’s own words, in order to make effective decisions, solve problems more quickly, and develop objectives which focus on serving the end-user customer.

Using the CCC Model as a guide we can begin to ensure that all employees “hear” the voice of the customer in the customer’s own words. We can use our existing methods of dissemination of information to make sure the majority of what employees receive centers around customer issues. The customer is the business... let’s make sure our employees really “know” the business!

### **Five Steps to Customer-Centered Communications**

Once you have the good, hard answers to the above questions, it’s time to take action. Throw out every theory you know about communicating with employees. Now is the time for fundamental change.

It’s time to go back to all those technological advances in communications that we’ve spent so much time and money on improving in our organizations. Use them! Not to communicate the same information that has been clogging our organizational veins for decades, but to communicate raw, unfiltered customer information which will help your employees create value for your end-user customers.

**Involve employees in the communications process and hold them accountable.** Find ways to use the communications tools available in your company, along with the talent and enthusiasm of your people, to allow free flow of customer information. Ask them what information they need and want, what will help them contribute more, and how best to deliver it to them. Then, be sure to hold them accountable for knowing the information. Far too many organizations allow their employees to depend on the organization for feeding them information, instead of providing opportunities to get informed, then holding them accountable for seeking out the information.

**Examine policies/procedures that may inhibit the flow of communication.** Review your policies and procedures manual or any written guidelines used by management with a fine tooth comb. Do your policies “punish” people for communicating or for seeking out information? For example, a policy which prohibits certain employees from taking action to serve the customer,

may be causing your organization to drift further and further away from a customer-centered environment.

**Agree on what customer information is important to your organization.** Consensus should come not only from management, but from employees from throughout your organization, and most importantly from your customers. Ask your employees what they need and want to know about your customers. Ask your customers what they need and want your employees to know about them.

**Get customers involved in the process.** Your customers are just as anxious to be served by your organization as you are to serve them. Invite them on-site to meet with groups of your employees. And not just those from Sales and Marketing, but from ALL functions throughout the company. Ask them to give your employees a “report card” on how well the organization is doing and areas for improvement. Encourage your support employees to make site visits to your customers’ locations. The more they understand the customer’s experience, the better able they will be to contribute to creating value for that customer.

**Tie individual goals to customer outcomes.** Review your performance appraisal process. Do you hold your employees accountable for serving the end-user customer? If not, each employee should be involved in helping to develop goals and objectives which measure the impact they have on creating value for the customer.

Much of what we have learned from our experiences in employee communications no longer applies. We are piloting a new and different ship on very different waters. We must experiment with new ways and provide breakthroughs to create lasting changes in today’s organizations.

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