



## Newsletter Article

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### THE 8 DISCIPLINES OF A CUSTOMER-OBSESSED CULTURE

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#### Introduction

*Many organizations recognise the need to change the way they do business, embrace customer-centricity and develop a more compelling customer experience. So what should the ideal organization look like and what does this mean in terms of leadership priorities and the new behaviors decision makers need to adopt to ensure that digital transformation and cultural change deliver the right outcomes for the business?*

*Leading organizations show unique characteristics that enable them to break through commoditization and stagnation, run rings around competition or disrupt markets with new operating models that resonate with the market they seek to address. Often it is the behavior of their leaders that challenges and provokes the expectations they have of their employees. We see this at companies like Amazon, Apple and Salesforce, where employees go the extra mile on a daily basis to deliver a superior brand experience.*

*While the technology, product performance and personal service can account for game changing operating models, we also see that speed, flexibility, agility, personalization and personality are increasingly important factors. Adoption of new technology and processes are often important enablers yet employee behaviors and approaches to decision making are still key to building customer-centric leadership.*



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## Customer Obsession to Improve Emotional Connections and Responsiveness

It takes a certain mindset from employees to ratchet up growth and profitability through relevance and responsiveness to customers. So what are the ingredients to successful culture change that can bear this fruit? We have heard of customer obsession, putting the interests of customers first in order to build deep relationships with them, but what are the specific behaviors that will cultivate this? How can organizations develop a customer-obsessed culture that enables employees to win customers and keep them by delivering superior customer value?

Organizations often use assessment frameworks to look at culture holistically or as part of good conduct and regulatory compliance, such as the Denison Culture Model or the Banking Standards Board Framework in the UK. However, few of these models focus on the behaviors that link leadership and employee decision-making directly to customer outcomes and what is needed to embrace customer-centricity and foster a customer-obsessed culture. Customer obsession is increasingly emotional charged and includes a sense of urgency to address customer expectations as well as the ability to resolve customer issues in real-time.

The Market Responsiveness Index (MRI)<sup>™</sup> is part of a framework designed to accelerate organizational behavioral change that benchmarks performance relative to a database of over 420 customer-centric organizations, such as Amazon, Apple, Blackrock, Salesforce and Starbucks, providing clarity on how customer-centric the culture is in being proactive on addressing external influences as well as encouraging internal enablers to success. The program also includes a range of initiatives and interventions to accelerate improvement and embed behaviors that lead to success.

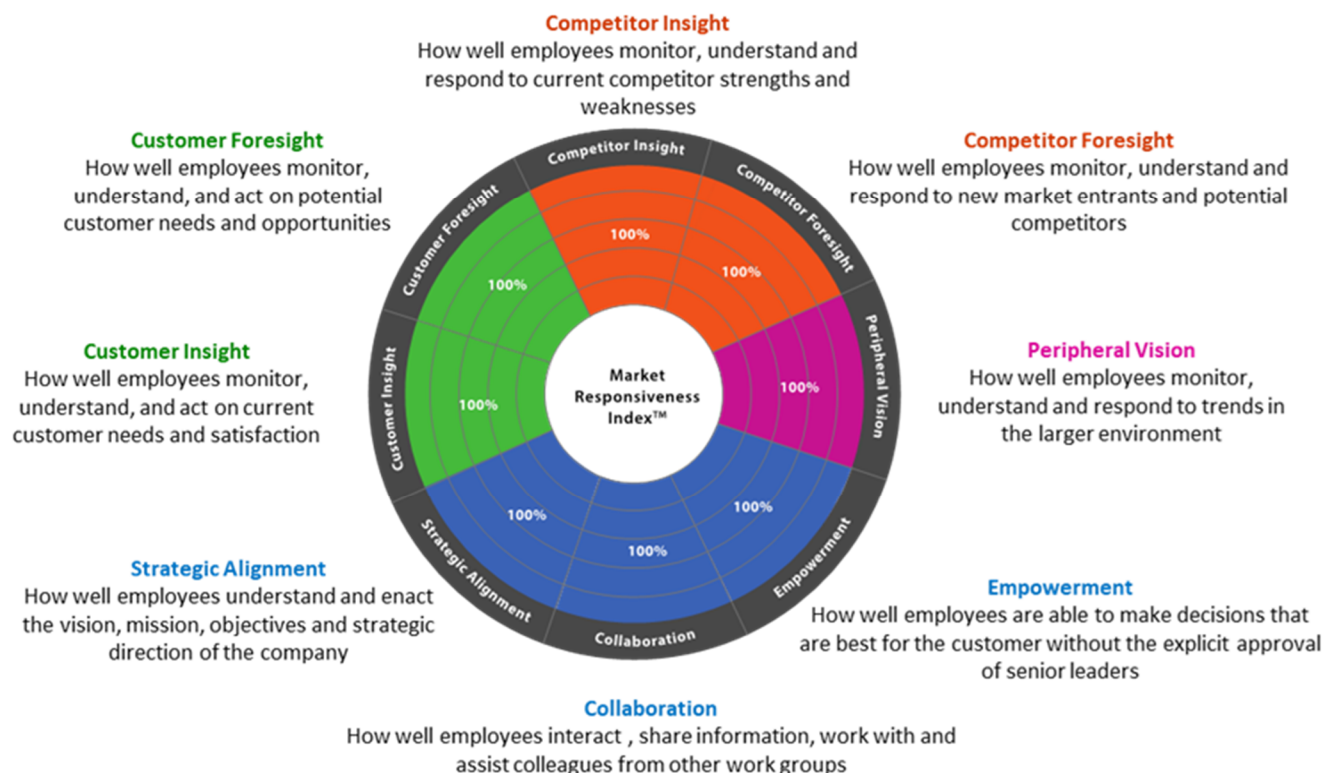
MarketCulture Strategies developed the MRI after conducting research on business performance that culminated in the book, [The Customer Culture Imperative: A leader's guide to driving superior performance](#). Their research identified 8 key dimensions, of which 5 are external disciplines (that is, outward facing) and 3 are internal enablers (inward facing), for leaders and decision makers to embrace as an integral part of the organization and how it affects day-to-day business. Extensive analysis of what differentiates high performing and low performing companies shows that these 8 dimensions are directly linked to stronger levels of customer satisfaction, innovation, new product success, sales growth, profitability and profit growth.

By benchmarking performance on these 8 disciplines of customer-obsession against a growing database of leading international companies, organizations can gain a much more objective view on how their behavior is encouraging effective decision-making with focus on the areas that really count.

Each of the 8 disciplines incorporated in the Market Responsiveness Index<sup>™</sup> has a set of underlying behaviors and activities that determine how well employees are applying capabilities to gain impact and create value. By measuring their performance, organizations can benchmark against best practice and prioritize improvements that will accelerate adoption of customer-centric behavior at all levels.

An assessment of performance on these measures can be subjective; often senior leaders think each of these disciplines are in hand, yet specific divisions or front-line teams often feel that parts of the organization are out of touch with what is really happening. Application of a framework to capture these different viewpoints sharpens the ability of the organization to be honest with itself on how well it is performing, and what changes are needed to respond to the business environment and improve on specific strategic objectives like innovation or customer retention.

## The 8 disciplines of a customer-obsessed culture



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### Delivering impact on customer outcomes and business performance

Vodafone is a global organization based in the UK that is rebooting its culture to become customer obsessed. After seeing NPS score flatline, Vodafone CEO, Vittorio Colao, had the MRI assessment conducted with 3,600 leaders across 28 markets, and the “We CARE” initiative came out of this to shift the organizational mindset towards customers. Their latest customer service initiative based on learnings from Customer Insight? A 30 day cool off period for new pay monthly contracts so that customers can join Vodafone with piece of mind that they can leave with no penalties if they are not happy. As Vodafone develops a new set of capabilities and services as part of the 5G roll-out, they plan to differentiate offerings with a customer-centric culture that puts customers’ best interests first.

Blackrock is the world’s largest fund manager with an increasingly dominant presence across the globe. A large proportion of its clients are institutional investors. Some of these enterprise customers complained that reporting deliverables were consistently late and of poor quality. Internal operations



leaders didn't appreciate the extent and urgency of the problem and front-line Account Managers were frustrated and unable to influence the operational functions to make the necessary changes.

An MRI showed a significant gap in cross-functional collaboration on resolving customer issues, and improvements following a "Customer Immersion Program" lead to an increase in customer retention of around 10% with increased investment from existing clients over the 12 months following the MRI.

Organizations are under pressure to change. The key question is '**what do they need to become in order to succeed?**'. By developing a customer-obsessed culture, leaders can focus effort in the right places and bring about a step-change transformation to become well differentiated and highly responsive to the changing needs of customers.

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