

# PEX Network 2012-2013 Special Report

*The Voice of the Customer is Getting Louder – Are you Listening?*

## Transforming customer feedback into opportunity



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# FOREWORD: NEW RULES FOR INNOVATION IN A CUSTOMER-CENTRIC WORLD

BY JIM CARROLL

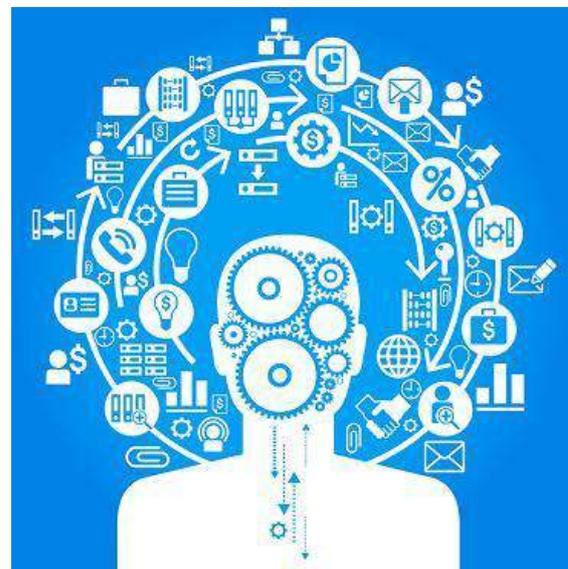


*Jim Carroll is one of the world's leading international futurists, with a client list that ranges from the Professional Retail Store Maintenance Association to Rockwell Collins, Yum! Brands to International Dairy Deli Baker Association and the Walt Disney Corporation. He will be keynoting at [PEX Week Orlando](#), where the results of this report will be discussed in further detail.*

For several years, as a speaker at dozens of conferences, leadership events and corporate meetings, I've had the opportunity of observing what some of the largest organizations have been thinking about as they renew their innovation efforts. To many, innovation implies new product development. But in the high velocity economy in which we find ourselves today, innovation has become something much more.

Organizations are discovering that by reframing the concept of innovation, they can move forward with new ideas that permit them to run their business better, grow their business and transform the business. In this way,

World class innovators possess a relentless focus on growth; continually transition their revenue source; and solve customers' problems – before the customer even knows it's a problem. They focus on upside down innovation by sourcing innovation ideas through their customers. They concentrate on ingesting fast ideas based on customer feedback; check their speed and focus on corporate agility; and focus on long term wins



***Companies need to listen to and engage with customers as never before***

through constant incremental improvements. They know that skills partnerships are a key success factor and innovate with corporate structure, collaboration and realignment of internal resources to meet fast paced industry

“Innovation moves from more than just new product or service development, to process, structure, capability and speed.”

trends. They experiment with new business models and with new methods of interacting with customers in the era of social networks. To world class innovators, it's all about the relentless exploration of new concepts which line up to the fast paced trends which surround them.

And most importantly, world class innovators aren't afraid to back away from big ideas: they know that now is the time to make bold decisions, and take decisive advantage to forge aggressive new paths against their competitors.

The fact is, we now live in a time in which we have to build new relationships with customers, because everything about the customer relationship has changed. Customers today can instantly go public on social networks with feedback and commentary on interactions with a company - and it's not always complimentary. They can instantly price compare through their mobile phones, rendering almost obsolete the concept of customer loyalty. They've got the ability to band together in new and unique ways and 'swarm shop' through last minute deal services, which can cut into profit margins in a substantial way. And they can even render a brand new product instantly obsolete if it doesn't match their expectations -- as witnessed with tablets from both Blackberry and HP.

Organizations are discovering that by reframing the concept of innovation and their relationships with their customers, they can move forward with new ideas that permit them to run their business better and enable growth and transformation. In this way, innovation moves from just new product

or service development, to process, structure, capability and speed.

Here are a few examples of what implications this has for how you do business. You must:

#### **Be open**

Solicit feedback – get the customers on side. In any new customer oriented initiative, be prepared for things to go wrong -- and for the fact that your customer could be very vocal about that! Don't just rollout the new system and hope for the best. Know that there will be problems, bugs, and things that will go wrong. Start out on the right foot with the customers by admitting this, and seeking their input, guidance. The new business world is all a Beta — Google gets this, and you should get this too.

#### **Fix things fast**

When things go wrong with a customer relationship fix them fast. Have a communications plan. Be prepared to reassure the customer quickly. In this new era of hyper-information feedback, don't let the customer sit and stew for a moment — proactive information and proactive action is the only weapon you have, and you have to use it.

#### **Adopt customer-niceness as a core virtue during any pain period...**

There are rules and fees and structure that can exist in any customer relationship. But make everyone aware on the team that there are likely some things that are going to have to be waived during the rollout. The core virtue is, “we're going to be nice to the customer, because we know it is not the customer's fault that things have gone wrong.”

#### **Admit that mistakes will happen**

It's ok. It's the 21st century. Bad things go wrong all the time. Accept that, and use that as a go-forward strategy. “Things will go wrong and we will work to fix them fast” is a better strategy than

“we plan on rolling it out and holding our breath that things don’t get messed up.”

### **Don’t hide from the customers**

Customers today can turn on you in an instant. Rumors, stories, misinformation can abound. The customer has a lot of information, and might not always be reading it right — but they can certainly make it go wrong in a hurry. A clear, and open, and honest, reactive strategy with the customer is in your best interest. More communication is the best rule.

### **Turn customers into fixers**

Customers expect operational excellence, but if they don’t get it off the bat, they are prepared to help fix it. The complexity of a new customer software system can undergo all kinds of testing internally, but some things will never show up until it goes live. That’s why you want to recruit the customer as a problem solver. Turn it from a “bad rollout of new software” into something different, by letting the customer know that you want them to help stress test the system and find the things that aren’t working quite right.

### **Get everyone inside on the same page**

Let everyone throughout the organization know that something new is going to be happening that

could cause customer stress. Get them to understand that the new JOB #1 is Customer-Destressification.

### **Have an escalation plan**

As things go wrong, be prepared to pump them up the chain in a hurry. Have a team ready to analyze what the customers are saying, do triage on the big ones, and work them quickly.

### **Empower people with niceness**

Customer-centricity and the instant-age demands that the customer be made happy — quickly. Give staff who have not previously had the authority, the authority to do things to the customer that are nice. That will help to ease the early part of the “pain process.”

### **Learn from the experience**

Learn from this your mistakes to figure out how to do it better the next time.

In today’s hyper-competitive environment, your customer relationship can be fleeting at best. They often know more about your market than your staff do. Act accordingly, or you look like a fool — and lose customer loyalty in the process.

*Get more ideas from Jim Carroll at PEX Week Orlando. To find out more about the event or to sign up please go to [www.pexweek.com](http://www.pexweek.com).*

## ABOUT US

### What is the Process Excellence Network?



PEX Network is an online, free to join, membership portal providing process professionals with exclusive access to a library of multimedia resources from top executives on Lean Six Sigma, BPM, Operational Excellence, Continuous Improvement and other process excellence related topics.

The Process Excellence Network has a subscribed membership of 80,000+ with an additional 20,000 connected to us via our social networks and a global contact database of over 450,000.

In addition to online resources, PEX Network organizes 30+ targeted face-to-face events globally per year with industry specific focuses on Financial Services, Telecoms & Utilities, and Energy. We also hold major cross industry summits on process excellence in Orlando, FL (PEX Week) and in London, England (PEX Week Europe) every January and April.

### Contact Us

Website: [www.pexnetwork.com](http://www.pexnetwork.com)

General Inquiries: [enquire@pexnetwork.com](mailto:enquire@pexnetwork.com)

Telephone: +44 (0)20 7368 9300

### About the Author



Diana Davis is editor of PEXNetwork.com and follows trends in process excellence including Lean, Six Sigma, and BPM. She worked previously as a producer with Associated Press Television News and she has also worked in marketing and business development in the software industry. Davis holds a Master's in International Journalism from City University, London and a BA in English from the University of British Columbia, Vancouver. She can be reached on [diana.davis@pexnetwork.com](mailto:diana.davis@pexnetwork.com).