

**Strategic customer feedback - why it pays to be a good listener**

Few organisations listen hard enough to their customers and as a result great opportunities to improve performance are lost. These opportunities are often largest in organisations (or autonomous business units) of a manageable size, around 250 employees or fewer. This is because their best customers will know most parts of the supplier organisation well, they probably deal with Directors, sales staff, customer-facing staff and technical specialists. If anyone is well placed to suggest to an organisation how they can improve, it is the best customers of such businesses.

This insufficient focus on customers is not just a characteristic of many individual firms, it is to an extent embedded in business culture. Take the 9 elements of the Investors in People standard in the UK, the internal and systems focus is paramount, there is very limited emphasis on customers. In the USA, the Malcolm Baldrige National Quality Award is the preeminent award for “quality and performance excellence”. Yet only one of the seven top-level criteria is about customers - in seeking to measure organisations’ performance on too many fronts, the priority of customers and delivering business performance for them becomes very diluted. The same issues tend to characterise ISO standards. Trouble is, when everything is a priority, nothing is a priority.

So when we help organisations to manage change, we will quite often utilise key customer feedback as the **primary driver** of the change process:

• your employees will tend to take customer feedback very seriously - they know who pays the bills

• where any feedback is negative, most staff and managers take it on the chin - “let’s get on and sort this out”

• customers are usually delighted to participate, surprisingly few suppliers will be listening effectively to them

There is also a practical reason for focusing on key customer feedback - the cost of winning new business is nearly always lowest with the people you know best. So why are many companies ineffective in working with their key customers?

“Don’t make the time” is the most common barrier, you do not have to do this, it is a choice and we know many firms who spend all their time working in the relationship and they never work on the relationship. Hidden dissatisfiers remain hidden and the organisation fails to tap into the potential of its workforce to be motivated by and respond to constructive customer feedback.

“I don’t have the time” - well, if you really do not have the time then maybe do not do it badly. But this argument quickly becomes circular - “I don’t have the time to listen strategically to customers, so I don’t listen effectively, opportunities are lost, but I still don’t have the time”.

“I don’t see the need” - customer surveys we experience as consumers tend to be fairly dismal exercises, but that is no reason to dismiss the whole concept. Too many large companies try to do it on the cheap, with call centre staff or through online surveys where there is no intelligent dialogue - and you never hear back. Lastly, often the unspoken reason - “I don’t want to hear”. If service has faltered or recent problems have occurred, do you want to hear any difficult feedback? Succumbing to this barrier is like never going to the doctor because you don’t want to hear bad news. You avoid the issue short term but it is ultimately bad for your health.

This is a process - you do not survey just once, you go back to customers with the change agenda you have formulated and then keep them involved and updated. Customers will notice when you do this; following a survey, very few suppliers involve their customers in an action plan tailored to them, where they are kept informed of progress. When the messages from key customers are connected directly back to the people delivering the product or service, positive changes result.

Customer driven change does not rely on the latest fads from management gurus. It is about listening hard, making a genuine response and excelling in the execution of that response.

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