Understanding and Improving Customer Focus

How customer focus can help sustain and grow your organisation

Module 4: Developing Strategies to Build a Customer-Focused Organisation
Last updated: April 2014

For more information and details on support available visit the clearinghouse website at www.communitydoor.org.au/SectorReadiness
Understanding and Improving Customer Focus: Program Overview

These are just some of the questions posed by disability service providers as the National Disability Insurance Scheme (NDIS), one of the most significant social changes in recent Australian history, is introduced. For people with permanent and significant disability, their families and carers, the NDIS provides greater choice over the care and services they receive, and shifts purchasing power from the government to consumers.

For disability providers, the NDIS will result in a move to a competitive open market. Providers will need to market their services and work hard to attract and retain clients. They will need to carefully balance the achievement of missional objectives, whilst ensuring the sustainability of their business.

Disability providers are being supported to make this shift via a series of modules on *Understanding and Improving Customer Focus* as part of the Sector Readiness and Workforce Capacity Initiative. These modules will help providers gain insight into their clients’ needs and ensure that all aspects of the business (e.g. strategy, marketing, customer service, human resources, finance and operations) are aligned to deliver on this.

The program includes the following four modules:

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Module 4: Developing Strategies to Build a Customer-Focused Organisation

Module Objective
Module 4 of the Customer Focus Program will help you make plans to build your customer-focused organisation. Having taken the time in Module 2 to assess your organisation’s current Customer Focus, and in Module 3 to have meaningful interactions with your customers, now is your opportunity to apply what you have learned to improve your business. Regardless of where you are in your organisation’s Customer Focus journey, and your particular objectives, this module provides you with a framework to plan for the future using the customer insights you’ve gathered.

Building a customer-focused organisation often requires a shift in the culture. This takes time, and may require a number of cycles of reflection and planning. The most important thing is to reinforce your commitment to change through consistent messaging and the engagement of your people and customers – every small step makes a difference.

At the conclusion of this module, providers will have:

• Reflected on their Customer Focus self-assessment (from Module 2) to understand the priority areas for planning
• Reflected on meaningful customer conversations and observations (from Module 3) to improve their understanding of their customers’ needs
• Become familiar with the process for developing strategies to build a customer-focused organisation (this module)
• Conducted the necessary conversations to convert their customer focus journey intent, into a tangible plan of action
Mindset
Before you start the process of developing strategies to improve customer focus, it's important to prepare the organisation and individual stakeholders. They need to embrace a mindset that is:

- Accepting of the assertion that the current way of operating may not be the best for the future, regardless of how successful the organisation has been in the past
- Open to the ideas of others – including staff, customers and other key stakeholders
- Collaborative – willing to share ideas, and recognising that strategy and planning should be a group process, not an individual task
- Iterative – recognising that the first round of ideas and plans developed may be refined or reset over time as the team learn more, and as the environment evolves

Step-by-Step Process
As per the framework below, there are three conversations that inform your strategy to become a customer-focused business. Allow yourself time to come together as a group and ensure these conversations are meaningful and productive.

- Conversation 1 – Reflecting on your organisation’s current level of customer focus
- Conversation 2 – Defining your customer focus goals and priorities
- Conversation 3 – Developing action plans to effect the desired change

Each of these is a collaborative conversation between key parties, where a range of perspectives should be shared to inform decisions, and build ownership of the outputs. Depending on availability, the conversations can be held separately over the course of a few weeks (allowing a couple of hours for each), or in one session (allowing half a day to a day).

As with all plans, progress should be monitored regularly and refinements made as appropriate.
Conversation 1 – Reflecting on Your Current Level of Customer Focus

Reflecting on your organisation’s current level of Customer Focus will ensure the strategies and action plans you develop are realistic, yet challenge your organisation to improve in areas important to you.

Modules 2 and 3 of the Understanding and Improving Customer Focus Program include practical tools to help you review your current level of customer focus, and improve your understanding of the needs of new and existing customers. The first conversation you need to have involves reflecting on the outputs of these modules, and considering the implications for your organisation. A recap of these tools is provided below:

Module 2: Customer Focus Self-Assessment.

In developing an appreciation of your organisation’s current reality around customer focus, the self-assessment exercise provides insights into areas of strength, and opportunities for improvement.

Questions to Ask

- Has the Self-Assessment been completed by enough stakeholders to provide an objective and accurate picture of the organisation?
- Do we accept the collated findings of the Self-Assessment? Why? Why not?
- Consider the four Elements (Strategy, Vision & Brand; Leadership; Employees; Customers)
  o Which is our area of greatest strength?
  o Which requires the most improvement?
- Consider the 12 attributes of a customer focused organisation
  o How can we reinforce our strengths?
  o What opportunities exist to eliminate our weaknesses?
- Based on the ratings for the Strategy and Leadership attributes
  o Is our leadership team on board to drive a shift in customer focus?
  o If they aren’t on board yet, how can we use the process of goal setting, prioritisation and action planning to change this?
Module 3: Understanding Your Customers

Without fresh insights into the needs and expectations of your customers any activities to build a customer-focused organisation may be misdirected.

To understand your customers it is important to engage in meaningful interactions that help you explore beyond your day-to-day interactions. The customer research techniques recommended in Module 3 were:

- **Observation** – watching your customers in their natural environment, and as they interact with your organisation
- **Depth Interviews** – having a meaningful conversation with one or more customers where the emphasis is on listening, empathy and exploration
- **Focus Groups** – Facilitating a conversation with a small group of your customers where you ask no more than 3 ‘seed’ questions to stimulate the discussion

The outputs produced from applying these techniques will have included:

- Important current or potential customer groups identified
- Knowledge gaps or interest areas on each customer group identified and documented
- Research conducted to explore these gaps and interest areas conducted and summarised
- Insights into the customer groups discussed, documented and shared

Questions to Ask

- Who are your organisation’s most important customers?
- Has this group changed as a result of your research?
- Do you have enough of an understanding of this group? Does this understanding extend beyond their typical day-to-day interactions with your organisation, to their broader needs and goals?
- What did you learn about your new / existing customers?
- How does this differ from your previous understanding?
- Based on your new (or confirmed) understanding, what are the key items that your customer focus strategy needs to address?
Conversation 2 – Agreeing Priorities and Setting Customer Focus Goals

Having reflected on your current level of customer focus, your second conversation is about how to respond at a high level. To determine an appropriate response you need to agree on your top priorities. In other words, if you only respond to one aspect of customer focus, what should it be?

Your customer focus priorities may take a number of forms, however there are three main alternatives to consider:

1. Improvement across a whole *element* of customer focus
2. Improvement in one or more specific customer focus *attributes*
3. Building stronger connections to your most important customer group

When identifying your customer focus goal, it is also important to consider and align with your organisation’s overall strategy. It is useful to engage with Senior Management and leaders to ensure that your goals are current, aligned and relevant.

**Questions to Ask**

**About the Organisation…**

- Where is the organisation heading?
- What makes us unique?
- Where does the Customer Focus program fit in our organisation’s priorities?
- Are there other areas that can / should make way to allow an increased focus on customer focus?

**About Customer Focus…**

- Do we have an identified gap in the Strategy or Leadership elements of our customer focus assessment? If so, are we ready to address this as a matter of priority?
- Are there elements or attributes that are having a negative impact on our customer focus journey today? Do we need to address these before we can consider extending towards our goal?
- Are there elements or attributes that we are already starting to address through projects or other activities?
- Do we need to adopt a multi-pronged approach to address multiple elements in parallel, or are we better to take a series of linear steps over an extended period of time?
- Which priority areas will have the most positive impact on our customers now that we know more about them?
Planning Outputs

It is worthwhile developing a visual model or framework that helps explain the key priority areas for the organisation. For example, you may have decide to address i) leader behaviours, ii) employee passion for customers and iii) customer feedback. This could be shown as steps in a journey (Figure 1), or concurrent priorities (Figure 2) – each sending a clear message to staff about how your priorities fit together.

![Figure 1: Steps in a journey](image1)
![Figure 2: Concurrent priorities](image2)

Whilst the specific activities under these headings may change and grow, the broad focus areas can remain the same. With your focus areas identified you are ready to commence detailed planning.

Goal Setting and Success Criteria

Once your priorities are agreed, setting a clear and agreed goal is critical to success. What are you aiming to achieve? How will you know when you get there? How will you know you are successful? In whose eyes?

When developing your success criteria, it is important to balance ‘objective’ and ‘subjective’ measures.

Monitoring a range of business, customer, staff and other stakeholder metrics also provides greater perspective on what you are achieving and how you can improve further. It ensures that your organisation doesn’t put the needs of one stakeholder group exclusively above the needs of others.

Questions to Ask

- What is our overarching goal?
- As we pursue our goal, what are the most important aspects of our journey to measure?
- Do we want to measure activities, outputs or outcomes?
- From which stakeholder perspective is each measure taken?
- Are the measures we have selected balanced (objective v subjective, from a range of stakeholder perspectives)?
Conversation 3: Developing Customer-focused Action Plans

Once your team has discussed and agreed your priority areas and your goals, action plans can be developed. It is important to build momentum early on.

Identifying and Narrowing Down Actions

Brainstorming is an effective way to identify a range of possible actions. Considering each identified priority area, the group can consider the following questions:

Questions to Ask

- What are the activities that will help us eliminate our Customer Focus weaknesses?
- What are the activities that will help consolidate our strengths?
- What are the activities that will take us towards our stated goal?

By capturing ideas on post-it notes, potential actions can be grouped, extended or removed as attendees settle on a final list. To manage the risk of being overwhelmed by a ‘laundry list’ of actions, ensure you choose only those actions that you believe will have the greatest impact. A few choice actions done well will have a more positive impact on your organisation than many actions left incomplete, or done poorly.

Allocating Timeframes and Action Owners

Any plan must spell out what is to be done, by whom, and by when. Planning teams can get caught up trying to schedule every activity, however in the first instance it is sufficient to group important tasks into three time horizons: ‘Now’ (e.g. in the next 3 months), ‘Next’ (e.g. 3-6 months) and ‘Later’ (e.g. after that).

The suggested timeframes are a guide – adjust them to suit your organisation.

The final task for the group is to identify an owner for each action. This may not be someone in the room, or the person who will actually do the work, but it is the person who will be responsible for ensuring that the action is completed. Where owners are not present you need to discuss the action required, and gain their agreement to take ownership.

Questions To Ask

- What are the 3 things we are going to do now?
- What are the 3 things that we are going to do next?
- What will we do later, once we’ve finished and reflected on our early activities?
- Who should own each of these activities? How are we going to communicate this?
Monitoring: How Are We Going?
Regular progress checks are essential to assess whether you are on track to achieve the outcomes you are seeking.

Monitoring activities should include two considerations:

- Progress against the plan that was set
- Changes to the customer, internal or external environment that mean plans should be revised.

Progress Against The Plan That Was Set
Comparing progress against the plan should occur at least monthly – this sends the message to the organisation that you see the plans as important, and that you value the work that they are contributing to build a more customer-focused organisation.

Changes That Require Us To Reassess The Plans
It may be necessary to redevelop plans if there have been significant changes in the customer, internal or external environment. Organisations that fail to acknowledge and respond to major changes risk having to rework ineffective or undesirable solutions.

At least quarterly, leaders should reflect on the organisation’s current reality and implications for future goals and make an assessment of whether any significant change has occurred. If so, it may be a case of monitoring the change for a period of time, or taking the opportunity to conduct a re-planning process.

Questions to Ask

- What are the milestones that we should have achieved by this time?
- If we have reached milestones, are there new activities that we should now commence?
- If we haven’t reached milestones, what barriers have slowed our progress? Are there issues that need to be escalated and resolved by senior leaders?
- Have there been any changes in our environment that mean we need to re-think our plans for the next period?
- Have we communicated progress and successful outcomes to others in the organisation?
User Feedback & Further Assistance
A module on improving customer focus would not be complete without a request for feedback from users.

We would love to hear from disability service providers who have received and applied this information and are keen to share their experience. In particular we’re interested in

- How you have used this information?
- The outcomes you have achieved
- What has worked well, what can be improved and any questions you have.

If you require further assistance in your efforts to make your organisation more customer-focused, 3rdView Consulting are available to work directly with providers, outside the scope of the Sector Readiness and Workforce Capacity Initiative. Any consulting services provided, and the associated costs, are negotiated directly between the provider and 3rdView Consulting.

3rdView welcome the opportunity to have a conversation about your feedback or additional needs. Please call Marie-Claire Grady (0409 055 091) or Bartley Hassall (0459 844 158), or email info@3rdview.com.au.

For more information and resources, visit the Sector Readiness and Workforce Capacity Initiative Clearinghouse: http://Communitydoor.org.au/SectorReadiness

The Sector Readiness and Workforce Capacity Initiative is a collaboration between the Department of Communities, Child Safety and Disability Services, Health and Community Services Workforce Council, National Disability Services Queensland and the Southern Queensland Institute of TAFE.

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