

## MAY YOU LIVE IN INTERESTING TIMES

*Is the answer to customer management during a recession hidden in the past? Rob Brickle explains.*

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**Rob Brickle: investment has to be focused**

'May you live in interesting times' is, according to Wikipedia, the English translation of an ancient Chinese curse. Naturally the phrase may not have been translated entirely accurately – and one possibility is that the phrase comes from the following Chinese saying 'pin-yin:shi shi zao ying xiong', which means 'heroes (leaders) are made over turbulent times'.

Well, could we find ourselves in more turbulent times than we are at present?

On a weekly basis we see the ripples moving out from the financial crisis pebble that was thrown into the pond, touching new pieces of the economy. Most recently it has been the automotive sector, encompassing both the manufacturing companies and the suppliers. Who will be the next casualty in that value chain?

In such a recession, it's easy to batten down the hatches and put in place all the cost-cutting measures viewed as necessary. I see this, though, as shrinking and have never really been a great fan of an accountant's view of the world.

Whilst I accept that common sense and caution must prevail, I prefer to believe that it is the companies who invest at this time that will succeed. But that investment has to be focused – and if it is focused on the customer, I would argue that the organisation will experience the benefits of that relationship when the markets turn upwards again.

Technology has helped play a part in understanding our customers. The range and speed with which we can collect information has been seen by many as an essential feature of our operations. Which is fine, but the same technology is (to use a military term) also available to our adversaries.

The difference, and what will sustain us, is how we act and find a decisive edge or competitive advantage.

Organisations have typically reacted to economic pressure in certain ways. Too frequently (and we are seeing it happen now) the fight for competitive advantage becomes a race to cut prices. This is not a sustainable tactic as there will always be someone out there who will be willing to undercut your best price.

Some organisations look back to past practice as a way of addressing today's problems. I can cite an example only this week where I was with a customer that was considering how it could address an issue that was affecting the whole of its customer base.

Its reaction was to say "Well, this is how industry would have responded to this issue in the past" and present previous solutions as the answer.

Personally I don't believe that is appropriate. Things are different now and this kind of response keeps the customer as part of the problem, not part of the solution.

In this strange world in which we live, can we really assume that what was right before is still appropriate today? I think we need to take a broader view and admit that past practice has stopped being a good guide to current or future decision making and that we need to be more inclusive and innovative in our solutions.

If we are to be competitive, we cannot afford to fight using the tactics, strategies and weapons of our last campaigns. So what do we need to do?

It is a fact that competitive advantage is only sustainable if it is linked to customer needs. So there has to be an alignment between your own business strategy and that of the customer – and to return to the original theme, nothing can be more relevant in these current interesting times.

Think about it for a moment. Now, more than ever, is when your customers (internal or external) need you. We are all in survival mode, but it is more about survival of the smartest than survival of the fittest.

Strong relationships, that add value and drive improvement or at least survival for both parties, are no longer nice-to-have but essential. So how can we work together to achieve that?

It is all about making appropriate investments in customer management and having the processes, technology and executive support to realise the benefit of this investment.

According to recent research from Gartner, 80% of executives think that customer satisfaction is more important than it was three years ago, and 95% of business leaders see it as the next competitive battleground.

To be clear, however, it isn't about transactional measurement of customer satisfaction. It is about understanding and managing the customer relationship and acting on that knowledge; that is where the true competitive battleground exists. Nowhere is this more true than in a business-to-business environment.

As I've said previously, customers can provide us with all sorts of free insight into how we might improve our businesses, add value to them and gain a competitive advantage as well as competitive intelligence. It's just how we go about it and act on it that matters.

So returning to the start of this article, perhaps the original Chinese said 'Heroes (leaders) are made over turbulent times'. And today's leaders are those who have the insight to position their organisation to grow and benefit when the market turns upward again.

They are the people who will have listened to their customers, understood what they have said, translated it into action and then acted on it in an appropriate way, at the same time as ensuring the customer has experienced that action.

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