Shifting attitudes and actions toward a **customer-centric culture**

Re-imagining the future of supply chain and customer centricity

Seven Chief Supply Chain Officer Thinkers joined a pop-up Think Circle on February 2021. Along with special guest Kathy McGettrick, who transformed IBM's customer-centric approach several years ago, they shared insights on creating a customer-centric culture, embedding change, and measuring progress. Below is a summary of the discussion, with some additional resources on the topic of customer centricity.

Key takeaways

– Executive support is essential, and commitment to developing customer centricity must extend across the senior leadership team through to business units and geographies.

– Ability to measure progress is important and can be done through a tool like Net Promoter Score (NPS), customer satisfaction surveys, or simple agreement on expected outcomes.

– Customer centricity can't be a program or initiative; it must be authentic, embedded in core values, extended through the culture, and connected to employee engagement.

Embedding a customer-centric culture

– Incorporate a customer view into the organization's core values.

– A customer-focused mindset should permeate everything—interviews, job descriptions, performance evaluations, and recognition—but rarely appears as a component of compensation. *"When I was hired, there was an internal NPS score in the interview prep material, which gave me a window into how important the client relationship is at (the organization)."*

• No individual should be penalized for a low NPS score—rather, the teams that understand detractor sentiment and use it to improve performance should be celebrated.

– Use customer feedback to help build stickiness. *"It's completely different than the transactional 'net 30' mindset."*

– Establishing customer centricity has to be authentic and done for the right reasons. *"Customers aren't stupid—they will pick up that an initiative is there to drive a new corporate agenda versus really driving the heart of customer centricity and bringing the soul of the organization and its capabilities to the customer for mutual benefit."*

– A customer-focused culture, regardless of metrics/measures/tools, should include review of a few key customer touchpoints, perhaps:

• Customer decision journeys

• Moments that matter

• Unified customer experience across channels.

Start with executive buy-in and follow with a cascading approach

– Support from the C-suite is essential and must be followed by buy-in throughout the senior leadership team, across business units and geographies.

– Creating advocacy champions and an advocacy steering committee is one approach to help cascade through the organization and embed a customer-centric mindset into the organizational culture.

– Think of every instance of feedback as an opportunity for improvement. *"All feedback is a gift."*

– Don't lose sight of the customer, even if your organization is focused on internal transformation, building a product pipeline, focused on M&A, or undergoing any number of operational improvements. *"Sometimes there's too much focus on driving objectives for the company rather than outcomes for the customer... when we are focused on 'business concrete' rather than 'customer pathways.'"*

Measuring performance and tracking outcomes

– Avoid overwhelming customers with multiple surveys—decide what needs to be measured and collect the customer feedback that will be most useful.

– Pick an apparatus for measurement, whether it's NPS, customer satisfaction surveys, benchmarking against competitors, or something else, but don't get weighed down by the tool. *"It's less about the platform or measurement and more about common agreement to gauge customer sentiment and focus on relative improvement versus baseline scores."*

• NPS is one method of tracking a customer view of organizational performance. It is an index that measures the willingness of customers to recommend an organization's products or services to others. It is used by many organizations as a proxy for a customer's loyalty to the brand and overall satisfaction with products or services.

• Use of a digital platform (Medallia, Qualtrics) may be helpful as you collect data across customer touchpoints.

– Measure yourself as your customer sees you. *"We don't have measures that say 'look at the great job we've done' if our customers don't measure it that way."*

– NPS can also be used to measure internal performance. *"As a supply chain leader, we all have many internal customers who want things from us. NPS is a good way to measure how we're performing against internal SLAs."*

– Measuring and reporting on customer insight is not a one-time project. Using input from customers is part of continuous improvement and needs to be built into an organization's culture. *"How do we have a 'run' NPS to make sure we're staying ahead of the game, understanding feedback real time, and being able to adjust quickly versus a year or 18 months later."*

A closing word: Continue

Customer centricity is clearly an important topic, and regardless of the methods, tools, or platforms used to measure and track performance, this is a conversation that will no doubt be woven into the other topics we discuss in 2021. Continue the conversation, start another one, or go deeper into any of the insights in our exclusive LinkedIn group here: linkedin.com/groups/12480314.

Additional insight on customer centricity in supply chain

– **86%** of customer-focused CEO outperformers expect technology to impact customer experience over the next 2-3 years. Source: IBV CEO Study
ibm.com/thought-leadership/institute-business-value/c-suite-study/ceo

– **60%** of customer-focused CEO outperformers identified delivering better customer experience as a top priority for the next 2-3 years. Source: IBV CEO Study
ibm.com/thought-leadership/institute-business-value/c-suite-study/ceo

– **75%** of executives whose organizations are actively implementing intelligent automation point to the customer experience as the area where their digital initiatives deliver the greatest value. Source: IBV Intelligent Automation Study
ibm.com/thought-leadership/institute-business-value/report/automation-workflows

– **70%** of CSCOs state that their organization delivers customer value by reimaging the way they do work in a cross-domain approach to customize the customer experience. Source: IBV Smarter Supply Chain Study
ibm.com/thought-leadership/institute-business-value/report/smarter-supply-chains

– **68%** of CSCOs report that their business models are shifting to a customized customer experience over the next 3 years. Source: IBV Smarter Supply Chain Study
ibm.com/thought-leadership/institute-business-value/report/smarter-supply-chains

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