Connecting the Workplace to the Marketplace

By Jim Shaffer

Peter Drucker, management consultant, educator and author, said there's only one valid definition of business purpose: to create a customer.

"You have to manage for results, do the right thing right and make serving the customer the center of everything," Drucker said.

That means all organizational resources need to focus on meeting and, when appropriate, exceeding the customers' needs. Every process, program or activity needs to be waste-free, meaning modified or eliminated if the customer isn't willing to pay for it.

Investing in the customer experience drives revenue growth and increases customer loyalty. According to Gartner, a leading information technology research company, customer experience will be the main battleground for competing companies in the near future. When researchers analyzed the experience and revenue data from two $1 billion-plus companies for a recent study published in the *Harvard Business Review,* they found that:

- In transaction-based businesses, customers who had the best experiences spent 140 percent more than customers who had the worst experiences
- In subscription-based businesses, customers who had the best experiences had a 74 percent chance of being a subscriber one year later, yet customers who had the worst experiences only had a 43 percent chance of remaining a subscriber a year later.

Customer experience clearly has a big impact. It's become a widely-used phrase in the last few years, but simply put, it represents the sum of all the interactions a customer might have with a product or service provider. The customer experience is made up of many encounters or touchpoints—where customers and prospective customers come into contact with an organization—to create the overall customer experience.

Customers use our products and services. They receive our bills. They pass our billboards on the street. They talk to our employees in the customer service department. They see how we act. They notice our attitude. They watch us get the job done on time, before we promised. Or they watch us get the job done two days late.

Our advertising lets customers know why they should buy our goods and services. Public relations allows us to build rapport with various stakeholders. Social media, such as Twitter and Facebook, have become popular mass communication channels for individuals and businesses.

Companies communicate externally to offer training and support to customers. At trade shows, company representatives discuss the company's technology and products. At seminars and conferences, company leaders deliver presentations about the value and usefulness of goods and services.
Communication internally has a huge impact as well. It includes top-down formal communication such as e-mail, written publications, videos, meetings, blogs or posters in the break rooms. Internal communication also includes technology, telephone and internet systems, e-mail messages, social media, conference room audio-video presentations, videoconferences with the CEO, training classes, meetings with fist-pounding supervisors and hallway discussions. Communication includes performance reviews, policies and procedures manuals, safety meetings and break room banter. It includes measurement systems, reward systems, various forms of recognition and the way we design our work processes.

Communication represents all the ways we send, receive and process information. It's the things we say and the things we don't say. It's what we do and what we don't do. You can't not communicate.

We're bombarded by tens of thousands of signs, signals, cues and messages every day. We process the bombardment without conscious effort. On the basis of all those communication cues and signals, we decide. Then we act. These actions either benefit or hinder the business results.

When communication is managed well, we decide and act in ways that help the business succeed. When communication isn't managed well, we don't.

Historically external and internal communication have been managed somewhat as divided entities of functions. External communication includes public relations, advertising, public affairs, marketing and brand management. Internal communication was has been housed with external communication, in human resources or as an entity unto its own.

External and internal communication strategies often are created separately in their respective fiefdoms. Sometimes they were are. Sometimes not.

Given the importance of the customer experience and its financial impact it is critical the external and internal communication integrate strategy formulation and execution. This does not mean they must cohabitate. It does mean they must work closely together to build and execute what are becoming increasingly interdependent strategies.

The overarching role of both communication disciplines is to connect the workplace to the two disciplines can create and deliver on the brand promise and the customer experience.

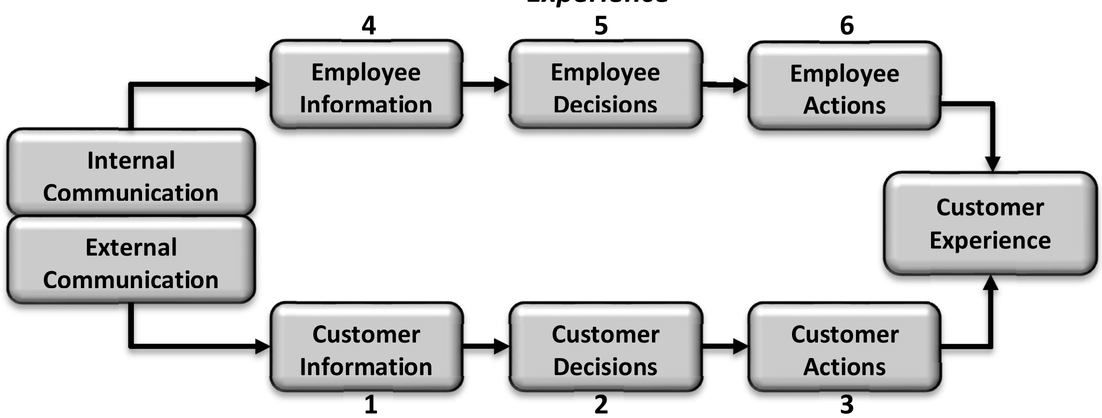
To make this happen communication must connect the workplace to the marketplace.

The workplace is best represented by an organization’s employees.

The marketplace is best represented by customers and prospective customers.

Here’s what that looks like in practice.

Internal Communication Delivers the Customer Experience



External Communication Delivers the Brand Promise

Take a look at the above diagram.

The boxes across the bottom of the diagram represent external communication--the information that customers and prospective customers receive from the news media, marketing, advertising and public relations activities.

In Box 1, information to the customer drives customers’ decisions (Box 2) and the actions they take (Box 3) that create the brand promise—what we promise to deliver.

The boxes across the top of the diagram represent internal communication—communication that occurs among employees within the organization.

In Box 4, information that comes in the form of what’s said and what’s done helps people make decisions (Box 5) that drive actions that employees take that, in turn, deliver the brand promise or come up short on the brand promise. It’s this information that creates products that work or don’t work, deliver a high or low level of service, m move products to market quickly or slowly or increase or decrease costs. These employee actions either deliver or don’t deliver the brand promise. These actions can have a huge positive or negative impact on the customer experience and the financial success of our organizations.

The actions that result from our decisions please customers or annoy them, invite them back or divert them to competitors.

Because a potential opportunity to win or lose customers resides within the various internal and external communication disciplines, it's critical that the disciplines plan, develop, execute and continuously improve together.

Let's put it another way. If the customer experience is driving the business' success, why would anyone deliberately segment the various disciplines so they would have to work harder to produce an integrated approach to improving the experience?

Here's how to get started.

1. Get leaders on board early.
   Leaders need to understand that an integrated workplace to marketplace approach makes business sense and is a more effective and more efficient means to getting there. You're offering a solution to a recognized business challenge that makes business sense because of the increased leverage it offers. The more leverage you deliver the more value you add and the more the leaders gain. With management's backing, you should have the support you need to move through the process.

2. Build a business case for an integrated brand promising and brand building effort.

   The various external and internal functions need to agree on the business case for the approach they're taking. Where can you individually and collectively increase your value, i.e., the gains you crate are increasingly greater than the investments you make. Where are new places to add more value? Whose role is it to make that happen?

3. Identify what work will we continue to do? What will we start doing? What will we stop doing? Hereôs what one of our clients decided in an offsite meeting to plan their new approach.

We will do work that…	We won't do work that…
Increases impact on the customer experience	Has no clear connection to the customer experience
Creates early wins in high impact places	Doesn't change how work gets done
Strengthens leadership communication competencies	Doesn't promise sustainable results
Generates improved formal channel ROI	Isn't integrated with other processes, activities or initiatives

4.What capabilities do we need to be successful?

Capabilities are the combined skills and knowledge of a function. Competencies, on the other hand, represent the skills, knowledge and attributes that individuals may or may not have.

As work is defined, you'll need to identify the capabilities that are important to doing that work and how well you do on each. This will likely identify gaps that need to be filled as you pursue your new role. For instance, where capabilities associated with formal channel delivery, activity and event coordination, or technology are needed, future capabilities may need to include change management, internal consulting, and building business and financial literacy.

Build the supporting infrastructure

Shifting your role may require building or refining your function's underlying infrastructure. This includes how you plan, learn, measure, reward, recognize and organize the function. Work processes need to be efficient. Some processes may need to become standard. *Standard work* is how lean companies define their best practices to maintain a consistent and repeatable level of quality.

How will you measure progress—that you are moving forward from the starting point? But what does moving forward mean? And how will you know when you've succeeded? What measures will you use. Leading indicators might include increasing customer awareness of your brand promise. Lagging indicators for customers might include sales volume or profitability. Leading indicators for employees might include increased employee awareness of customer requirements. Lagging indicators for employees might include improvements in on-time delivery which in turn improved sales. Because the adage "what gets measured gets done," it is critical that the right measures be selected.

5. How should we be organized?

Because structure should follow strategy, the way you organize depends on the preceding steps. Some might organize around the various roles of the value chain, from purchasing to manufacturing to shipping and receiving and the pieces in between. Or perhaps you need to organize around customers.

6. How should you communicate your goals and role to the organization?

Communicating the new integrated approach to connecting the workplace to the marketplace offers an opportunity for everyone to understand the strategy and more importantly their role in executing that strategy.

6. Build the supporting infrastructure

Shifting your role may require building or refining your function's underlying infrastructure. This includes how you plan, learn, measure, reward, recognize and organize the function. Work processes need to be efficient. Some processes may need to become standard. *Standard*

work is how lean companies define their best practices to maintain a consistent and repeatable level of quality.