



By Mark Tayles

TOTAL CUSTOMER SUCCESS

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GOODBYE 'CUSTOMER SATISFACTION,' HELLO 'CUSTOMER SUCCESS'

Fifteen months ago I wrote about how rich and open communication, coupled with velocity of information throughout your supply chain, could help 'allocation proof your enterprise. Boy, does that seem like a world away.

While we have endured what's generally considered the electronic industry's worst slump, the good news is the industry is showing early promise of a slow recovery. I think I speak for many in saying that a slow gradual incline is better than a free fall...any day.

Given the state of the entire electronics industry, consumer confidence is surprisingly high. Component manufacturers continue their 'moth-balling' of capacity. Increased instances of component end-of-life(s) spot allocations are starting to surface. There are reduced inventories within each stage of the supply chain (e.g., supplier, distributor, contract manufacturer, finished goods). Still, there is general uncertainty about which recovery scenario will come to pass. That makes the topic of customer satisfaction more relevant than ever.

I'm suggesting what might appear to be a controversial concept, at least on the surface: 'customer satisfaction' is passe; 'customer success' is the priority.

Here's why (and I note that this concept is equally applicable to internal customers or external customers across all industries). The traditional thinking surrounding customer satisfaction says that you listen carefully to the customer's wants and needs, then deliver to their specification, on time, every time. Oh, and for good measure, provide service under an 'ease-of-doing-business aura.' Doesn't get any better you might say?

Well, it can get better. Who says customers always know what they want or need? This is especially true in the fast moving high tech industry. What happens when

the goods or service provider satisfies a customer's needs...all day long, when the customer didn't know what he/she needed? The answer isn't pretty.

I suggest the true high ground is in customer success,' or let's even expand it to say 'total customer success' or TCS for short. It may seem like a minor change in words from customer satisfaction, but the mindset and results are way different. In the TCS world, all of a sudden, your firm's goods and service providers are thinking of your success. These suppliers now consider themselves part of your company. Maybe you've asked for 'A,' but your supplier's unique industry knowledge tells them your enterprise really needs 'B.'

Here's a real-world example. Acme Inc. puts out a budgetary pricing quote on a 100 line-item bill of material (BOM). If I have my customer satisfaction hat on, I respond on time to the request for quote (RFQ). Additionally, I might correct some part numbers, offer some alternatives to parts I don't carry, and provide some forward pricing estimates. Overall, my customer is pretty satisfied with our response.

Now consider the TCS scenario. In addition to the neat and tidy RFQ package described above, I notice a number of parts are headed for end-of-life. I note these and provide alternatives with prices. I notice new fine pitch packages that Acme's contract manufacturer doesn't support yet, I make note of this and suggest an early 'qual run' to ease any production issues. Finally, I notice that four of the devices will be offered in an integrated package well within Acme's product launch date. I note this, provide pricing and early samples, and set about scheduling an engineering briefing.

In which scenario is Acme apt to be most successful with this product? What about the long-term success of the product?

As mentioned, the TCS mindset is equally transferable to internal customers. Again, a simple illustration. Say I have a new boss who is new to the organization. He asks for a monthly sales forecast by product line. In the customer satisfaction mode, I provide it, on time, and even leave a shiny red apple...in my effort to make a good first impression.

In the TCS mode, what I know he really needs — due to my tenure with the firm — is a monthly sales forecast by product line, but with the additional detail of: sales by employee; profit by employee; a breakdown by not only product line, but by top stock keeping unit (SKU). My new boss doesn't know that he needs this detail yet, but he will during his first site management meeting. I'm just trying to make him as successful as possible. Obviously, the concepts are equally applicable to your firm's A/R dept., marketing dept. or engineering dept. That's where the 'total' part of total customer success comes in. Any enterprise is built up of many entities.

Hopefully, I've illustrated a thought provoking idea that you or your firm can adopt. Eighteen months ago, in the electronic component industry, there were a whole lot of firms and well-intentioned people trying their best to satisfy their customers. Perhaps the supply chain carnage that ensued could have at least been partially minimized with more 'total customer success' thinking.

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