Your New Bottom Line ...

Delighting Your Customers
Delighting Customers – Learning Objectives

• Understand the importance of delighting your customers through collaboration and always generating value.
• Learn how a culture of delighting customers is built around, and compliments, a highly motivated workforce.
• Acquire techniques for delighting customers you can put to use now.
• Learn that delighting customers applies to everyone. Apply the concepts as a way of thinking for software development and scale it to running your organization.
• See how customer delight can drive your financial performance.
• Sharpen your leadership focus on delighting customers; make it your new bottom line.
Delighting customers

Why?
An agile dilemma
Always a Customer Focus

- *There is only one valid definition of a business purpose: to create a customer.*

Peter Drucker, “The Practice of Management”
Delighted Customers

• Always getting great value
• Coming back again and again
• Sharing opportunities with you
• Sharing their delight with others
• Not just served, delighted
Agile  
Scrum  
Running an organization  
Delighting Customers
Agile Manifesto Principles

Our highest priority is to **satisfy the customer** through early and continuous delivery of valuable software.

Welcome changing requirements, even late in development. Agile processes harness change for the customer’s competitive advantage.

Deliver working software frequently, from a couple of weeks to a couple of months, with a preference to the shorter timescale.

Business people and developers must **work together** daily throughout the project.

Build projects around **motivated individuals**. Give them the environment and support they need, and trust them to get the job done.

The most efficient and effective method of conveying information to and within a development team is **face to-face conversation**.

**Working software** is the primary measure of progress.

Agile processes promote **sustainable development**. The sponsors, developers, and users should be able to maintain a constant pace indefinitely.

Continuous attention to **technical excellence** and good design enhances agility.

Simplicity---the art of maximizing the amount of work not done---is essential.

The best architectures, requirements, and designs emerge from **self-organizing teams**.

At regular intervals, the team **reflects** on how to become more effective, then tunes and adjusts its behavior accordingly.
Building Toward an Agile Enterprise

• Apply principles of Agile and Scrum from software development to running the enterprise

...as in Rugby, the ball gets passed within the team as it moves as a unit up the field.

The Need to be Agile

A means to delighting your customers

Change with the times ...

Or risk getting run over
Change in how we make stuff
Change in how we manage and treat people
**Change in how we deal with our customers**
Change in how we deal with the financial community
Change in organization culture
Customer Delight

- THE goal of the organization
- Explicit goal
- Bottom line for the whole organization
- Your customer AND the ultimate customer
Focus on the Customer

• Always generating value

• Customer collaboration

• Don’t just serve customers, delight them
Delight?
Satisfaction and Delight

- Satisfactory service occurs when expectations are met
- Delight occurs when service exceeds expectations
- A service failure occurs when service falls short of expectations

![Satisfaction and Delight Diagram]

- Customer Contempt
- Customer Displeasure
- Customer Satisfaction
- Customer Delight

Recollection of Event

Customer Perception

- negative
- positive
Kano Model

Customer Satisfaction

Delight

Neutral

Dissatisfaction

Presence of the Characteristic

Absent

Fulfilled

Delighters:

Performance (Satisfier)

Must be Dissatisfier
You can’t bolt on satisfaction

• Just like quality, customer satisfaction has to start at the beginning, it has to be part of your core
  • It’s not just a call center

• Trying to bolt it on at the end will:
  • Quickly show up as BS to your customers
  • Cost you in financial performance
  • Loose customers in the long run
  • Generate *bad profit*
Customer Satisfaction

Start by being consistently good
Customer Satisfaction

Fix chronic problems
Customer Satisfaction

Get the basics right every time
Customer Satisfaction

Hero Moments
Pay attention to your ROI

- Money loosing delighters
  - Low prices
  - Free stuff
  - Carefully look at options and value to customers
- Smaller often equals happier
- The importance of being no. 1
- Making satisfaction work for you
  - Value to the company vs. value to the customer
  - Market share vs. customer satisfaction
  - Satisfaction and customer advantage
- The limits of customer satisfaction
  - It’s not just NPS
  - Make smart decisions
Delighted customers

Always getting great value
Delighted customers

Come back again and again
Delighted customers

Share opportunities with you
Delighted customers

Share their delight with others
Delighted customers

Your objective, every day
Delighted customers

Tell me how
Customer Delight is a process, not an event

Achieving Customer Delight

Customer Delight starts at the top

Adequate is not acceptable

For Customer Delight to work, an environment of empowerment must exist

How easy is it to do business with us?

Each interaction is an opportunity for customer delight

Customer Delight is a process, not an event

We must know who our customers are, what they want, and how they want it

Safety

We are determined to reach higher for improvement and maintain our pioneer position.

Mutual respect

Express your opinion in an open and positive way.

Focus on cooperation

Together we achieve common targets.

Integrity

Honesty

Result driven

We put up high expectations without losing sight of feasibility.

We do not only fulfill the expectations of clients, we also try to surpass them.
Delighting your customers

Do more
Delighting your customers

Do less

<table>
<thead>
<tr>
<th>Food Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Double-Double</td>
<td>$3.20</td>
</tr>
<tr>
<td>Cheeseburger</td>
<td>$2.20</td>
</tr>
<tr>
<td>Hamburger</td>
<td>$1.90</td>
</tr>
<tr>
<td>French Fries</td>
<td>$1.50</td>
</tr>
<tr>
<td>Coke</td>
<td>$1.35, $1.45, $1.65, $1.85</td>
</tr>
<tr>
<td>Root Beer</td>
<td></td>
</tr>
<tr>
<td>Lemonade</td>
<td></td>
</tr>
<tr>
<td>Iced Tea</td>
<td>$1.35, $1.45, $1.65, $1.85</td>
</tr>
<tr>
<td>Shakes</td>
<td>$1.99</td>
</tr>
<tr>
<td>Milk</td>
<td>$.99</td>
</tr>
<tr>
<td>Coffee</td>
<td>$1.25</td>
</tr>
</tbody>
</table>

Ordering as easy as:
1. Double-Double, Cheese Fries, Medium Drink: $6.15
2. Cheese Fries, Medium Drink: $5.15
3. Hamburger, Cheese Fries, Medium Drink: $4.85
Delighting your customers

Do something sooner
Delighting your customers

Remove dislikes
Delighting your customers

Be focused
On who your core customer is
On what you provide
On how you provide it
Delighting your customers

Be flexible
Personalize
Deliver it differently
Delighting your customers

Provide value
Not Just Serve Customers, Delight Them

• Focus the entire organization
• Operate in client driven iterations
• Deliver value to clients in each iteration
• Transparency
• Continuous improvement
Eight Ways Toward Delighting Your Customers
Delighting your customers

Put customers first
Be interested in them
Don’t “sell”- offer solutions
See their viewpoint
Delighting your customers

Empower your people

Have confidence in them

Have fun
Delighting your customers

Do something more
Delighting your customers

Be very customer aware
Delighting your customers

Respond to feedback

Have workaround processes
Delighting your customers

Watch from a distance
Delighting your customers

Open your culture
Some Guaranteed Ways to Drive Customers Away
Ways to drive customers away

Treating new and existing customers too differently

- Pushing too hard on existing customers to grow revenue
- Forgetting what keeps the lights on
Ways to drive customers away

Not inspecting and adapting

• Not listening to what customers say
• Forgetting the customer’s view
• Not taking appropriate action
Inadequate people leadership

- Changing players
- High employee turnover
- Rewarding the wrong behaviors
Ways to drive customers away

Making problem resolution painful
Development vs. Production

Development
• **Nature of the work:** Produce a new product or service
• **Source of client delight:** Finding ways to produce something new, remarkable, different, or unexpected, in a way that meets real needs and creates pleasant surprise

Production
• **Nature of the work:** Produce a standard product or service
• **Source of client delight:** Finding ways to deliver the product or service sooner or more cheaply or more safely or in a more environmentally friendly way
And I mentioned motivated people
KITA -

Management by Motivation or Management by Movement?
Be Efficient and Be Human

- Use people as people
- Treat them fairly, with respect
- Provide them with
  - Training
  - Tools
  - Values
- Allow/encourage
  - Creativity
  - Autonomy
  - Purpose
  - Team work
- Trust them
- Work at a sustainable pace
Treat People Well

- Training
- Tools
- Trust
- Respect
- Values
- Fairness

TREAT EMPLOYEES LIKE THEY MAKE A DIFFERENCE AND THEY WILL.

Jim Goodnight
CEO, SAS
Use People Well

Ingredients of High Motivation Jobs

• Direct Feedback
• Client Relationship
• New Learning
• Scheduling
• Unique Expertise
• Control over Resources
• Direct Communications
• Personal Accountability
DRiVE

The Surprising Truth About What Motivates Us

- Autonomy
- Mastery
- Purpose
Use Self-Organizing Teams

• Passion
• Energy
• Collective collaboration
• High productivity
Leadership
Leadership in delighting our customers

Values
Trust
Empowerment
Communication
Provide training and tools
Remove impediments
Inspect and adapt
Getting the Whole Organization on Board

Don’t just strategize for change – do it now
Pick the right team
Do as I do, not as I say
Engage, don’t mandate
Break habits and make change visible
Management as mentors
Recognize that change is lumpy
Don’t stop
The Right Goal

• Who are we trying to delight?
• Are they, or could they be delighted by what we are proposing?
• Is there something that would delight them more?
• Or sooner?
• Or is less more?

• The process is iterative and empirical
Organizational Goals: Stuff vs. People

“... It is the customer who determines what a business is. It is the customer alone whose willingness to pay for a good or for a service converts economic resources into wealth, things into goods.... The customer is the foundation of a business and keeps it in existence.”

Peter Drucker
Your customer, the ultimate customer

• Who are you serving?
  • Inter-departmental
  • Internal customers
  • B2B customers
  • B2C customers

• Who is your ultimate customer?
• Do you have a clear line of sight?
Who Decides?

The ultimate customer!
Culture fuels brand

• A vibrant culture provides a cooperative and collaborative environment for a brand to thrive in.
• Your brand is the single most important asset to differentiate you consistently over time.
• It needs to be nurtured, evolved, and invigorated by the people entrusted to keep it true and alive.
Culture fuels brand

• Dynamic and engaged leadership
• Living values
• Responsibility and accountability
• Celebrate success and failure
Make Them Raving Fans

• Decide what you want - your vision
• Discover what the customer wants - customer’s vision, will evolve bit by bit
• Deliver plus one percent - and keep doing it.
We Value Your Opinion
TELL US WHAT YOU THINK!

Questions?
800-776-3252
www.costco.com
And, there will be bumps in the road
Influencing How Our Customers Interact with Us

• Delivering continuous value each iteration
• Inspecting and adapting each iteration
• Always delighting with the extra 1%
Measuring Client Delight

How likely is it that you would recommend us to a friend or colleague?

\[
\text{NPS} = \% \text{ of PROMOTERS (9s and 10s)} - \% \text{ of DETRACTORS (0 through 6)}
\]
What about Wall Street?
Good Profits Bad Profits

• Profits all look the same on an income statement

• But, whenever a customer feels mistreated, misled, ignored or coerced, profits from that customer are bad
1997 Jeff Bezos letter to shareholders
- *It's All About the Long Term*
- *Obsess Over Customers*


2015: As always, I attach a copy of our original 1997 letter. Our approach remains the same, and it’s still Day 1.
Delighting customers vs. focus on shareholders

• Maximizing Shareholder Value
  • “the dumbest idea in the world” Jack Welch

• The real market vs. the expectations market
  • A reality we have to deal with today

• Take care of customers
  • Shareholders will be drawn along for a very nice ride.
  • The opposite is simply not true
Delighting Customers is the Goal

• The new single focus for today’s agile organization
• Making money is a result
• Executed well, you’ll make more
Customer Obsession
Make it Real!
Achieving Customer Delight

Changing, Inspecting, Adapting; Always Improving

• How we plan
  • Strategically
  • Financially
• How we value and deal with our customers
• How we measure
  • Always focus on what’s most important
  • Our customer
Achieving Customer Delight

Changing, Inspecting, Adapting; Always Improving

• How we execute
• How we react in crisis mode
• How we manage and treat our people
• How we compensate
• How we run the business
• How we sustain our values and culture
Delighted customers

Your new bottom line
Five simple actions to take today

1. Do something unexpectedly positive for a few customers every day
2. Enable people, turn off blame and fault
3. Talk to your customers and show real interest
4. Find out what irritates customers – fix it fast
5. Get to know and remove impediments to delighting customers
In it for the Long-Run

• Our world is continuing to change at a faster rate
• There will always be opportunities for improvement
• Take advantage of them
• Always work to delight your customers
• Make Customer Delight your new bottom line. It’s hard work but immensely rewarding
• Delight your customers through collaboration and always generating value.
• A culture of delighting customers is built around, and compliments, a highly motivated workforce.
• Techniques for delighting customers you can put to use now.
• Delighting customers applies to everyone, from software development to running an organization.
• Customer delight can drive your financial performance, make it your new bottom line.
Thank You!

Mike Vincent
MVASoftware
mikev@mvasoftware.com
www.mvasoftware.net
Resources for more information

- **Great by Choice** Jim Collins and Morten T. Hansen, HarperCollins 2011
- **Organizational Culture and Leadership** Edgar H. Schein, John Wiley & Sons, 2010
- **Customer Delight: Strategic Insights...** Alain Guillemaing, Infinite Press, 2012
- **The Customer Delight Principle** Timothy Keiningham and Terry Vavra, McGraw-Hill, 2001
Resources for more information

- *The Managerial Choice – To be efficient and to be human* Fredrick Herzberg, Dow Jones-Irwin 1976
- *The Enterprise and Scrum* Ken Schwaber, Microsoft Press, 2007
- *Software in 30 Days* Ken Schwaber and Jeff Sutherland, John Wiley & Sons, 2012

- http://www.forbes.com/sites/stevedenning/2011/04/01/is-delighting-the-customer-profitable/#7470f1b6151b
- https://hbr.org/2013/12/the-secret-to-delighting-customers/
- https://www.salesforce.com/blog/2013/12/customer-service-satisfactiont-gp.html
- http://www.netpromotersystem.com/
Resources for more information

- http://foldingburritos.com/kano-model/