

## **“Active” Listening Uncovers Real Problems**

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Sure you listen to your customers. But do you really hear them?

Today’s successful suppliers must do everything possible to maintain a leading edge – and that means becoming an “active listener.”

It is not enough anymore to simply respond to a customer’s request. You must take the time to identify the real problem and provide a solution that meets the customer’s perception of what he needs...not your perception of what he needs. And that’s not always easy.

Let me give you an example. A company I know won a major sole-source supplier relationship with a huge international manufacturer. Instrumental in winning this prize were the company’s quality and just-in-time (JIT) programs. Also instrumental was a man named Marty, who was program leader for both of these efforts.

As the relationship developed – which involved five of the company’s plants coordinating shipments of more than 100 different parts to the customer’s south central assembly facility – the customer wanted Marty on site more and more.

Marty was flattered. He had always enjoyed good relations with the customer’s people. Soon both companies were joking that he was at the customer’s plant so often that he should be their employee. However, his services were much needed back at his company, not only to coordinate this customer’s work but other customers’ also.

Suddenly, Marty’s general manager realized that what they were hearing and knee-jerk responding to – that Marty was needed at the customer’s plant – was not the real case. What the customer was really saying was that the quality was not really up to snuff and JIT deliveries needed constant supervision. And sometimes they just wanted to be indulged with a little personal “insurance.”

A series of frank discussions led to a refocus on quality and scheduling corrections. It also led to the development of a joint reporting system that provided a clear record of variability. Problem areas were easily identified and targeted for improvement. And both old standard of customer service made way for a new standard: customer delight.

You can see the danger of “passive listening.” When we allow our perceptions to be clouded by old habits, old thinking and old approaches, we often end up taking the long way around to solving a problem. And these days, time is money.

When we make an effort to actively listen, we begin to see “between the lines.” We can identify the real problem and take immediately action.

But how do you listen actively? First, don’t take any request at face value. Ask questions. Then, ask more questions.

The key is to ask questions that demonstrate your company’s desire to really understand your customer’s needs. You must stay close to your customers to assure that your products or services fulfill their changing needs and perceptions.

In addition to uncovering this between-the-lines information, you must also collect hard-nosed, quantitative, systematic customer satisfaction information based on relevant perceived product or service measures. What are those measures for your product and service? Is everyone in your

company well versed in those measures so that they know the right questions to ask and how to account for the answers?

Of course, your large leading-edge customers should be a particular focus for active listening. Their sometimes wild and crazy directions often lead the way of innovation in industry. When you see where it's going, you can be prepared and position yourself to lead.

Don't forget your smaller customers. They deserve the same respect and attention to their perceptions. Smaller customers often seem less exciting – yet their contribution to the top and bottom line adds up, and they know it.

A \$5,000 per month customer contributes \$60,000 per year, \$600,000 over 10 years, \$1.2 million over 20. These life-time customers are the future of your business. Use active listening to set and reset all of your customers' expectations, then over-deliver.

A final focus of active listening should be your former customers as well as prospective users of your products or services. Why don't they look to your company as a supplier? What perceptions of your company, service or price do they hold that prevents them from buying from you?

Could you be making very high quality products that no one wants? Or are you in reality competing to be the best of the worst? Are people doing business with you because you're slightly less nauseating than your competitors? If so, you had better begin listening to them.

As the seller you must dig to get at those perceptions – the intangibles that you can exploit to your customer's benefit. And as a buyer, you must demand quality from your suppliers to deliver the quality your customers want. Remember, money talks.