

Knowing Your Customers Begins, Ends with Listening

**Michael J. Stickler, President
Empowered Performance, LLC**

Do you listen to your customers? I mean really listen?

Sure, with all of the emphasis on quality and customer service, we all know we are supposed to listen. And many of us are trying. But many companies are stuck in the rut of passive listening. A company determined to excel in quality customer service must do today is to develop the habit of active listening.

What's the difference? With active listening, you move beyond your perception of what the customer needs to understand the customer's perception of what the customer needs. That's not always easy because many times perceptions are clouded with old habits, old thinking, and old approaches.

Let me give you an example. This company was awarded a sole source supplier relationship, with a huge international manufacturer. Instrumental in winning this prize were the company's quality and Just-In-Time 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 Just-In-Time 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 re-focus 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. The old standard of customer service made way for a new standard, "customer delight".

Active listening involves listening "between the lines" to locate the real problems and perceptions. It involves asking lots of questions that demonstrate your company's desire to really understand the customer's needs. It involves continual re-questioning and staying close to the customers to assure that your products or services fulfill their changing needs and perceptions.

In addition to 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 leading edge customers should be a particular focus for active listening. Their sometimes wild and crazy directions often lead the way of innovation in your 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, \$600,00 over 10 years, \$1.2 million over 20. These lifetime 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, quality, 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.