



CONSISTENCY, EFFECTIVENESS, AND
SUCCESS DEPEND UPON PRECISELY DOCUMENTED
EXPECTATIONS FOR YOUR ENTIRE TEAM



WAYS TO A CUSTOMER-CENTRIC CULTURE

By Charlie Scott, Contributing Editor

Shifting to a customer-centric culture involves more than a few memos and feedback forms. In some ways, it's like moving your entire company to a new way of thinking and operating—even, dare I say it, to a new planet. These 10 action items will help you get there.

1 Create a formal statement of vision. Ask: Where is the company going? There's a reason why the Malcolm Baldrige National Quality Award and the National Housing Quality (NHQ) Award start the rating and review process by examining the applicant's vision statement. A clearly defined vision is the road map that guides all company behaviors and beliefs and puts an organization on the path to success that outlasts people, markets, and industry swings. To paraphrase executive Roy E. Disney, when the vision is clear, decisions are easy.

2 Define the mission. Ask: How are we getting there? A company without a mission is rudderless. It may occasionally be on course, but it generally fails to reach the

destination. The Baldrige and the NHQ awards give mission statements the same importance as vision. Having one without the other is like having only one oar to row with, keeping you from staying on course. Your mission is also a brand promise to your customers, trades, and suppliers.

3 Recruit the team. Once you've defined your vision and where you want your company to go, make sure you have the right team. You may find you have to let go of team members who are too caught up in your current way of doing business and "That's the way we've always done it." Instead, look for people both inside and outside your company who are a match with the organization's vision and mission. Staff and trade partners may have the skills and talent to boost success, but if their behaviors and values don't meet the company brand promise, you and your customers will be disappointed.

4 Spend time on the emotional quotient (EQ) plan. It can be easy to focus on floor plan details rather than the customers who will be living in the rooms. Certainly, the fundamentals—such as a good product that is clean, as specified,



and delivered on time—are crucial. So is a plan for EQ: the customer experience aspect of the business. You have construction documents that define specifics for design, dimensions, features, and construction techniques. Detailed plans for a strong customer relationship are also essential. A floor plan lacking detail would be differently interpreted by different trades, resulting in inconsistent product. Relying on your staff to create a happy customer without a detailed course of action will yield similar lack of clarity and poor results, including inconsistent customer satisfaction. The best practice is to have a one-page customer-experience plan that serves as a teaching tool, similar in simplicity to a sales and marketing floor plan. It should be customer-focused, conceptual, and be used by every person who interacts with the customer.

5 Identify customer-centric roles and behaviors. Once the EQ plan is in place, expectations are clear. Each team member can see exactly what his or her role is, be aware of the timing for filling those roles, and can shepherd the customer through the homebuying experience. More importantly, once expected behaviors have been specified (such as teaching the customer about standard versus optional features), behaviors can be measured and monitored for conformance. Recent studies we conducted show that 86 percent of the time customer disappointment is not with the house itself (the *what*), but rather with a particular process or a behavioral breakdown (the *how*).

6 Train the team. A well-trained, balanced team can demonstrate a superior level of quality for customers. Because of the complex business nature of home building, with its hundreds of thousands of critical details, activities, and sequences, it takes very smart employees—those with a high intelligence quotient (IQ)—to build a house. While IQ is important, building a great experience demands a staff and a plan with a strong emotional quotient, too. The key is to teach each team member his or her role and behaviors using a combination of the vision, mission, floor plans—the IQ—and the customer experience plan—the EQ.

7 Measure process and staff performance. Measuring the customer feedback on your staff performance requires two critical inputs to be accurate: that from within your organization—using company performance metrics—and that from your customers, who use an effective system of customer feedback.

8 Focus on continuous improvement. When a group of people really commits to continuously improving, great things can happen. The standard homebuilding

management MO is to identify what's not working correctly and prevent those issues from reoccurring. The most obvious example: examining cost variances by comparing sold profitability to closed profitability, as documented on variance purchase orders (VPOs). Operationally excellent companies have VPO/financial slippage rates of 0.5 percent. These companies are continually looking at VPOs to make sure they're building a quality home on budget and on time. The same should be true of customer satisfaction variances (CSVs). Similarly, companies driven by operational excellence should also be identifying and resolving sources of customer dissatisfaction with the intent of building quality relationships, too.

9 Implement culture-congruent incentives. Do you have the right mix of incentives in place to support your company mission and vision? To determine if a customer-satisfaction bonus program is right for your company, ask yourself if your company's culture and processes are designed to generate a transactional event or a customer relationship. The answer to this question is important. If your culture is transactional, then a financially based incentive works just fine. However, if your company touts a great home-building experience and a meaningful customer relationship but pays its salespeople and superintendents a bonus for achieving all 5s or 10s, or whatever the maximum rating is, on their scorecard, this doesn't quite track.

A better approach would be to have salespeople and superintendents who achieve high customer marks recognized and celebrated by your company as Customer Care Champions (CCCs). These CCCs and their spouses/partners could be invited to a special awards evening to celebrate their success. If your company culture seeks a customer relationship, then a relational-type bonus is "walking the talk," and it telegraphs a consistent message.

10 Insist on consistency. When you ask employees to treat customers with honesty, respect, and courtesy, employees need to see that behavior mirrored in the way that management treats them. Employees remember what you do far better than what you say. If you talk quality but cut corners, or if you preach courtesy but hire supervisors who are rude to employees, you're handicapping your team's ability to build high-quality homes, jeopardizing high-quality customer relationships, and putting future referral sales at risk. **PB**

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