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Creating a Customer-Centric Culture

Culture is a key force contributing to a company's success. It is also one of the most difficult attributes to shape, change and evolve.

by **JANET LEBLANC,** Janet LeBlanc + Associates Inc.

Every year since 2000, the number of Chief Customer Officers appointed to oversee organization-wide customer experience initiatives has tripled. One of their top priorities is to create a customer-centric culture.

An organization's culture can be a potent, powerful force contributing to its success or failure. Some organizations define their culture as "a culture to win," a "sales culture" or a "culture of excellence." Organizations that have successfully created a customer-centric culture have a hard-to-replicate source of competitive advantage—one that is far more important than any technological innovation.

Every organization's culture is complex. It's not hard to explain—"it's the way we do things around here." Not surprisingly, it is one of the most challenging transformational change initiatives for any senior leader.

Defining Organizational Culture

The term "culture" describes a set of shared attributes, values, goals and practices that define a group or organization. These behaviors reflect assumptions about people and how they think and act, as well as values and beliefs shared by members of an organization.

Cultures are formed at the earliest stages of an organization's life. Whether they are defined early on (or not), cultures often reflect the values and behavior of an organization's founder even long after departure. Jasmine Greene, chief customer advocate for Nationwide Insurance, talks about its customer-focused culture as "part of our heritage."

As chair of the North American Conference on Customer Management, I recently asked keynote speaker Pete Winemiller, SVP of guest relations for the NBA's Oklahoma City Thunder, for his thoughts on culture. Winemiller believes that the definition of culture is a company's personality—the

ABOUT JANET LEBLANC + ASSOCIATES INC.

A leading North American consulting firm specializing in customer experience management. Recognized as one of the foremost experts on customer-centric leadership, Janet LeBlanc guides senior leaders on how to use customer strategies to drive business growth. We partner with public sector institutions and Fortune 100 companies to overcome silo-based obstacles and collaborate on how to earn customer-driven growth.

Our team of dedicated professionals deliver services across four practice areas including leadership, customer insights, customer experience design and innovation, and performance improvement.

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attributes people use to describe your organization. When customers describe your company's personality, what words come to mind? How does your company treat people—its customers, employees, suppliers or partners? Or how does it react to employees, customers or partners when a problem occurs?

A prime example of the power and influence of personality is exemplified with Steve Jobs —passionate, enduring, visionary, eccentric, willful, driven, impatient, intolerant and innovative— traits reflective of Apple's culture today. If customer experience is to be embraced as part of a corporate culture or corporate personality, it must be driven by the leaders at the top.

Employees constantly scrutinize the leadership team for underlying messages of what the leaders are really thinking and what they reinforce. They seek to learn what their leaders value and believe, and how they are expected to behave with fellow colleagues, customers and outsiders. They quickly learn whether their company:

- Puts the needs of the company before the customer;
- Develops processes to make things easier for the company or employee without thought of the impact to the customer;
- Talks about customer issues with passing interest versus putting customer experience at the top of the leadership agenda; or
- Visits customers regularly, rather than only when a problem occurs.

When employees see leaders focusing on politics or bureaucracy, empire-building or cost-cutting and not the customer experience, they quickly understand where the priorities lie.

Recognizing a Customer-Centric Culture

A customer-centric culture can be easily seen, felt and heard by employees, customers and observers alike. There is a general "feeling of purpose" around the customer experience and a strong will to understand customer requirements and how they can be implemented. Customer feedback is aggressively sought and mechanisms are put in place to ensure that customer opinions are reviewed and acted upon throughout the company.

The Leaders
A customer-centric leader has a strongly-held belief that improving the customer experience will increase the bottom line. They know that customer experience management is not about improving customer service, but rather improving all interactions a customer has with a company—its people, products and processes. They recognize the value of the customer experience for its power to differentiate a company by creating an emotional connection with customers that is long-lasting and able to outperform the competition.

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Customer-centric leaders meet with employees and customers constantly. They are curious about the experience and actively seek customer input into new product development and designs. They ensure that everyone in the company has a shared understanding of the ideal customer experience and is able to recognize their individual contribution.

The Employees
Employees become advocates for the customer and feel empowered to champion customer needs. They are proud to deliver an exceptional customer experience and feel great about the company they work for. Employees who work for customer-centric organizations are happy, flexible and go out of their way to delight customers at every interaction.

The Customer
Customers can feel this empowerment as employees make decisions on their behalf. They recognize the flexibility given to employees to address their needs or fix problems as they occur, and see the dedication in employees who take responsibility to ensure high-levels of customer satisfaction.

Designing a Customer-Centric Culture

Culture is one of the most difficult organizational attributes to shape, change and evolve. Leaders play a critical role in creating and driving the architecture of their organizations culture. Disney is well-known for stating that a successful culture is "by design."

Disney believes that a culture needs to be well-defined, clear to all, and goal-oriented.

Here are five dimensions leaders need to influence when building a strong customer-centric culture:

Common Goal
Designing a customer-centric culture begins with establishing and communicating a common goal. A shared goal is the core reason for employees to work consistently, responsibly and decisively—becoming the heart and soul of an organization. It can infuse a workplace with positive energy that will impact every aspect of the customer experience. Disney employees are committed to "create happiness by providing the finest in entertainment for people of all ages, everywhere." At Zappos. com, the entire organization is aligned around one mission: to provide the best customer service possible.

Shared Values
Identifying shared values is an essential component of building a strong customer-centric culture. Employees make thousands of decisions daily. Their actions and behaviors are reflective of the values and beliefs

shared and agreed upon by fellow employees and are reinforced and rewarded by senior leaders. Netflix believes that company values are the behaviors and skills that are valued in fellow employees and are reinforced by those who get rewarded, promoted or let go.

Heritage and tradition
Creating a company culture requires reinforcement of its heritage and tradition—icons, stories, rites and rituals—that remind people of what the organization stands for. Storytelling is an important component of business today. Great leaders have stories for every situation describing how its products solved a customer problem or an employee overcame a challenge. Today's best leaders nurture a storytelling culture to help employees learn from the best examples of the customer-centric culture that the organization is trying to create.

Quality Standards
Establishing quality standards and expectations is another driving force in how corporate cultures shape performance. IBM Founder Thomas Watson, Sr. continues to influence the company even today by establishing high-quality world-class standards from the start. He wanted his company to represent "respect for the individual, the best customer service of any company in the world, and pursuit of all tasks with the idea that they can be accomplished in a superior fashion." Similarly, Disney advocates four quality standards: courtesy, efficiency, safety and show (i.e., delivering flawless and captivating experiences for every guest) as part of its corporate culture.

Traits and Behaviors
Role-modeling and reinforcing traits and behaviors is another dimension of how a leader can create, shape and evolve a customer-centric culture. Role-modeling provides an opportunity for leaders to reinforce the personality traits that are important in a customer-centric environment, and must be exemplified by "walking the walk" not just "talking the talk." Personality traits such as honesty, passion, curiosity and courage are four of the nine traits and behaviors that Netflix advocates for employees in its 126-slide culture deck, called "Freedom & Responsibility."

Zappos CEO Tony Hsieh has been promoting the power of organizational culture to build its brand since its founding in 1999. Hsieh's belief is that, "If we get the culture right, then everything else, including the customer service, will fall into place." The company publishes an annual 480-page "Culture Book," which is composed of two to three unedited paragraph entries from employees describing Zappos' company culture. Today, Zappos is one of the largest online shoe retailers in the world.

Organizations that have successfully cultivated a customer-centric culture have achieved a sustainable competitive advantage that will garner improved business and financial benefits for years to come. A customer-centric culture is a set of shared assumptions, values and beliefs that will

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guide an employee's interpretation and action by defining appropriate behavior when dealing with customers at every interaction. Great leaders understand that a customer-centric culture must be by-design, clearly articulated and reinforced to all employees in order to leverage the many benefits for the company, employees and customers alike.