How to Create a Customer-Centric Culture

Six steps to creating a customer-centric culture at every level of the company

By Shep Hyken, Shepard Presentations
What makes the great companies so great? It’s the service and experience the customer receives when doing business with them. The companies that get it are customer-centric. They put the customer at the heart of decisions, ideas, marketing, system design and more.

It is definitely not the product. The product can be truly amazing, even a lifestyle changer, but that’s not what makes a company great. Take for example, cable television. Cable TV is truly amazing. When I was growing up, there were only four channels from which to choose. Today we have hundreds of channels to choose from with amazing high-definition clarity. We can record shows on the cable box to watch later, or watch movies and other programs “on demand,” whenever we want to watch them. This is an amazing product. However, the cable TV industry, as a whole, delivers an abysmal customer experience. One of the less-than-customer-friendly policies: Asking a person to stay home on a workday to meet the cable TV installer during a four-hour window. That hardly seems customer-centric.
On the other hand, there are companies that sell the same products as everyone else, but the customer experience they offer really does set them apart. Ace Hardware is one of the best examples of this, having been awarded the JD Power award for highest customer satisfaction in its industry eight years in a row. These smaller, independently owned hardware stores compete against big box stores such as Home Depot and Lowe’s and sell many of the same items as the big stores.

However, many Ace Hardware stores are only one-tenth the size of one of these larger stores. Imagine an 8,000-square-foot store going up against an 80,000-square-foot store. And, these larger stores outspend Ace Hardware in advertising dollars by 30 to 1. Yet, Ace Hardware thrives in this competitive environment. So, what does Ace Hardware have to offer? The experience, which comes in the form of helpful customer service. As an Ace customer in Seattle put it, “Even though the prices can be, but are not necessarily, higher, the convenience and help are worth it.”

Ace doesn’t promise “friendly” service. It promises helpful service, and there’s a difference. It’s the way Ace stores engage their customers, provide knowledgeable employees who help them with their projects, and deliver a higher-level customer experience.

Consider several reasons to create a customer-centric culture. I’ll argue that customer service can make the difference between a company’s ultimate success or failure. It can mean the difference between having loyal, repeat customers or one-time-only customers. And, it can mean the difference between customers’ rave reviews or online rants.
10 percent increase in customer retention levels results in a

30 percent increase in the value of the company.

- Bain & Company
The Why

The bottom line is that customer-centric companies stand out. They are more desirable for consumers to do business with and more enjoyable places for employees to work. The top-rated customer service companies are often the best companies to work for as well. The reason is that the culture within the company offers a similar experience to what the customer experiences on the outside. Some things to consider about customer-centric companies:

- **Customer-centric companies empower employees to make decisions that are for the benefit of the customer.** They have guidelines versus rules and policies, and the mindset that if what the customer is asking for isn’t illegal or immoral, won’t cost the company money (although sometimes that’s still OK), and won’t harm the company’s reputation, then it should be considered.

- **Customer-centric companies hire people who fit the culture and have personalities that align with the company’s core values, mission and vision.** Skills and experience are important, of course, but these high-performing companies are looking for other qualities as well. It takes the right combination of skill, personality, and attitude.

- **Customer-centric companies invest a lot of time and money into soft skills training such as customer service and relationship building.** Technical and product training are important, but constant reinforcement of the “people side” of the business is equally important, if not even more so.

- **Customer-centric companies know the importance of their employees, and take a “people first” approach.** They develop their people at a level that keeps them engaged and enthusiastic about taking care of the company’s customers.
The stock market is an indicator as well. In 2000 the CFI Group created a stock portfolio that used data from the ACSI (American Customer Satisfaction Index). The “cumulative return of a $100 investment in the ACSI fund from April 2000 to April 2012 was $490, a gain of 390 percent. By comparison, the S&P 500 returned $93, a 7 percent loss.”

- Beyond Philosophy
The How

So, how does a company go about becoming customer-centric? It is simple in theory, yet the execution can be complicated, sometimes even difficult. But, we know it is possible because there are great companies out there growing their businesses and creating loyal fans and evangelists.

This is an instance in which size matters. The bigger the company, the more difficult it is. Larger companies have many “moving parts” in the form of departments, layers of management and numbers of employees who can slow down the process. Smaller companies have the advantage of able to quickly communicate with all employees and make necessary changes.

What follows is a de-mystification of the process of creating a customer-centric culture, simplified into six steps. Each step begins with the letter D. Now I know that growing up, in school, a D wasn’t a very good grade. But, you will want your company to aspire to these D’s if customer service and building a customer-centric culture is important to you. And if you’ve made it this far, I know it is!
The Six D’s that Create a Customer-Centric Culture

Define it.

What do you want your customer experience to look like? What is the vision or mission? It must be defined. This really starts at the top, with leadership setting the tone and defining what customer service should be for the organization. Customer service is part of your brand promise. It is what you want your employees to deliver. It is what you want the customer to experience. It must be made clear. It must be simple. There’s something I like to refer to as the corporate mantra. You should be able to state it in one sentence – or even a word or phrase – that makes a clear statement of what the company is about. One of my favorites is from the Ritz Carlton.

They actually call it their Credo, and it was created by Horst Schultz, their first president, who used it as a title for a paper he wrote in high school. It’s simple and makes all the sense in the world. If you have ever experienced the high level of service at a Ritz Carlton hotel, then you will recognize that it is the perfect nine words to describe exactly what every employee should deliver and every customer should receive. It is as follows: We are ladies and gentlemen serving ladies and gentlemen. Another great example that’s just three words long comes from the already-mentioned Ace Hardware. Ace is the Helpful Hardware Place. They have defined customer service as being Helpful, and in their hiring, training and customer interactions, they make it clear that Helpful is what they are all about.
Disseminate it.

This is all about communication. Once you have the customer service mission, vision, mantra, credo – whatever you want to call it – don’t keep it a secret. Every employee must know it and understand it. Roll it out and make it clear. The Ritz-Carlton has laminated cards imprinted with its credo and several other important core values. Every one of its employees carries this card. Some companies use signage – they paint it on their walls, they distribute clothing featuring their logo or message, and more. But at that point, it’s just words. Even though you have defined the customer service experience, at this point in the process it’s still just lip service. Now you must train your employees on how to deliver it.

Deploy it.

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Demonstrate it.

Now that everyone knows it and has been trained, everyone must demonstrate it. Leaders, especially, must show everyone how it’s done, through their actions. And, everyone else should do the same. Everyone becomes a role model for how to deliver amazing customer service. My friend and colleague Mark Sanborn says that you don’t need a title to be a leader. That is especially applicable in customer service. I have a favorite story to illustrate this point. Walt Disney used to walk through Disneyland, and if he happened to see a piece of paper on the ground, he would stoop down to pick it up. He called this Stooping to Excellence. He knew that as he walked through the park, all of the employees were watching him. He had to demonstrate excellence. He had to demonstrate that he wasn’t beyond picking up trash off of the ground. If he didn’t pick it up, he was effectively giving permission to all of the other Disney employees, also known as cast members, to walk past the trash. However, as mentioned, you don’t need the title to be a leader, especially when it comes to customer service and excellence. Everyone can be the role model that others aspire to. What behaviors are you exhibiting that others would admire and want to emulate?

Defend it.

The culture your organization lives by depends on the willingness of you and every one of your employees to defend it. If you see someone doing something contrary to what you want the customer to experience, you step in to help. This isn’t about reprimanding or calling someone out for doing something wrong. This is a teaching opportunity, and treated as such, creates a culture that comfortably empowers employees to deliver great customer service.
Delight in it!

Take pride and delight in the success you have with your customers. Celebrate the success of the company and individuals who have demonstrated amazing customer service. You can share with your employees the best examples of customer service – experiences with both internal and external customers. Some of our clients use our tactic to Tell the Story. Give an index card to each employee and ask them to share an example of when they created a positive customer experience for either an external or internal customer. It could be as simple as a quickly returned phone call or email response, or a true “over the top” experience. Once managers receive the cards from their employees, they congratulate the employee and praise them for their good work. Then the manager gets to choose the best of the best. These stories become the company’s customer service legends to be used as the benchmark. Can these stories be repeated? Can they become something to celebrate every week? Share the great stories your employees relate. It’s a powerful way to celebrate their successes and learn at the same time.

89 percent of consumers have stopped doing business with a company after experiencing poor customer service.

RightNow Customer Experience Impact Report
Don’t Forget About Internal Customers

As previously mentioned, the customer-centric company looks at customer service as a philosophy to be embraced by every employee of the company, recognizing that there are both external and internal customers. It’s not only the front line that participates in delivering value to the customer. Everyone plays a part. If you’re not supporting a customer, what you or your department does can still impact the customer’s “front line” experience. And if it doesn’t, you may want to worry about the relevance of your responsibility. Some examples of internal service that impacts the front line:

- **The person in a warehouse who improperly packs a shipment impacts the experience when the customer opens the package to find damaged or missing parts.**

- **The sales department that doesn’t inform the warehouse manager (an internal customer) of a large order in a timely fashion may send the employees in the shipping department into panic mode to try to ship a customer’s order on time.**

- **The baggage handler at the airline who may never see a passenger knows that if he or she puts the bag on the wrong cart, it may not make it to the correct destination on time.**
Final Thoughts

Customer service is impacted by virtually everyone in an organization. The customer-centric initiative must begin at the top, with leadership being the catalyst and serving as role models for everyone in the organization to emulate and aspire to. Training is not a one-time thing. It’s not something a company did. It’s something the company does. Continuous reinforcement, ongoing training, recognition and celebration are what it takes to create a customer-centric culture.

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Shep Hyken, CSP, CPAE is the Chief Amazement Officer of Shepard Presentations. He is a customer service expert, New York Times bestselling author and a Hall of Fame professional speaker. For more information please contact (314) 692-2200. Web: www.hyken.com. For information on customer service training, go to www.TheCustomerFocus.com.