



The DynSyn DELTA

IDEAS TO HELP YOU AND YOUR BUSINESS ACHIEVE
BREAKTHROUGH RESULTS

Dynamic Synergies
Group, Inc.

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ARE YOU ALIENATING YOUR CUSTOMERS? YOUR USE OF TECHNOLOGY MIGHT BE A PROBLEM.

Our business culture has drastically changed over the last decade, but has it been for the better? Inappropriate use of automated attendants, phone mail, websites and e-mail has, unfortunately, done more than depersonalized business relationships. While these tools have been deployed to lower operating costs, in many cases they have become unnecessary barriers to communication between people. And, without the right infrastructure behind them, customers *and suppliers* may not get the service, courtesy or respect they deserve.

In 1998, a dear friend and client who built a family retail furniture business into a regional behemoth said that this "e-business stuff would happen eventually but not without low-cost, high quality, customer focused distribution standing behind it." How right he was, this wise sage! With the shakeout of the "new economy" and the market corrections that have occurred since 2000, the world's best performing companies have had to seriously adjust their strategies and concentrate on their core competencies. What

does it all mean? What lessons have we really learned?

YOUR WEBSITE: A PORTAL TO CHAOS

A few fundamental realities have hit home hard. First, having a "website" for informational purposes is generally non-obtrusive. BUT (yes, a BIG BUT), taking orders online is like cutting a big hole in the side of your business, exposing all of your internal challenges to the outside world. A few years back, everyone wanted a website... because every one of our peers had or wanted



Are your systems distancing you from your customers? Has your Company alienated them?

one. Wrong reasons, wrong approach, and certainly not a decision driven by business need. Exposing internal "warts" to your customers typically leads to customer dissatisfaction.

Second, building new distribution infrastructure to handle new sources of orders requires vision and strategy. Logistics have become much more time sensitive and technology dependent. Orders must be picked, packaged and delivered properly, first time, every time. Consider that the direct costs for a "failed order" can be as much as \$35 *plus* delivery and return processing. These costs alone can eliminate any profit from the individual transaction.

Third, the challenge has strained supply channels as well, increasing pressure on availability and ultimately the ability to meet customer expectations. Co-sourcing and a renewed era of cooperative competition ("co-opetition") is evolving to even more aggressive levels.

(continued on page 2)

ABOUT DYNAMIC SYNERGIES GROUP

Founded in 1992, Dynamic Synergies Group, Inc. ("DynSyn") provides **Business, Management and Technology Consulting**



that help our clients achieve outstanding results. At DynSyn, our teams focus on value. We believe in looking at each challenge through the eyes of our client's customers, suppliers and employees allowing for practical, dynamic, and flexible responses, the results of which can be measured. We provide services and expertise in establishing your vision and strategy, aligning your organization to those elements, creating performance metrics, defining and managing complex projects and augmenting your staff to implement change. DynSyn not only works with your team to define what needs to be done, we also help you do it! For more information, visit www.dynsyn.com or call +1.215.325.1800.

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Child's play? NO WAY!! Harnessing appropriate work flow and technology that are customer-friendly is a difficult challenge.

“Our business culture has drastically changed over the last decade, but has it been for the better?”



When a customer, supplier or employee calls your business, what is their first impression?

Finally, our own skills have been stretched. Attracting and retaining the right people for meeting these challenges became nearly impossible during the tight labor market of the 1990s. And ever since, few Companies are making the strategic investments necessary to bring about the skill and cultural shifts necessary to ensure future excellence and profitability.

YOUR PHONE SYSTEM: FIRST IMPRESSIONS

Have you recently called a business? How many times do you actually get a person? The trends are very clear and consistent: broader use of automated attendants and systems is continuing, nearly doubling every three years. And in many ways, this is a good use of technology... except when it frustrates the caller, strains their patience, or fails to accommodate them.

But it's not just the automated systems that are alienating callers. Think about the last call you made where the phone was answered by a person and heard in their best FedEx- esque voice, "XYZ Company, please hold. *Click*" Did you call the right number? It's hard to know since the person spoke so fast you couldn't understand them. Then, as you

remain on hold for 20, 30, 40 or more seconds, your blood pressure begins to rise. If you persevere and wait long enough, a person finally takes that call, but far too often takes the wrath of customer frustration.

Try this one: an automated attendant answers and asks that you listen to all options as they "have recently changed." After a litany of directions, you finally choose the selection that is apparent, only to find another level of menus... and then a third or fourth. You sit there, up to two minutes or longer going through this drudgery. And all the while, you merely wanted to talk to a representative because NONE of the options and responses answered your complex situation.

Recently, I went through this exercise with my phone company and after 4+ minutes and numerous loops through the automated system could never actually get to a person. In desperation, I called back and chose the option for "becoming a customer." BINGO... a person answered in under 6 seconds! And they were NOT able to answer my complex issue, but immediately transferred me to another Customer Service Representative (CSR) who was able to deal with the issue. Unfortunately, my attitude had been seriously soured by the inappropriateness of the system. The message to the caller: "if you represent new busi-

ness, you are important to us; all others, fend for yourselves." As a shareholder in this Company, I found it insane and contacted the corporate offices. In defense of this Company, they were growing at a far faster pace than anticipated. And to their credit, they actually added an option "to speak to a representative" about two weeks later!



THE DOs AND DON'Ts

These situations are indicative of good technological solutions gone bad. Here are some suggestions to help your Company achieve breakthrough results. We recommend living by these rules so that your business remains people-friendly:

1. DO create a vision and strategy of your business

(continued on next page)



and where you want to take it. In other words, know where you want your ship to sail... and why. Get it down to a mantra that everyone in your Company can repeat, without fail. Remember, if it can't be articulated, than it isn't understood. For example, if you want to be known as "having the best service" in the business, how do you define "best service"? How do your customers define it? What is really important to them?

2. DO establish core measurements for determining if your objectives are being met. The value of understanding what your performance factors are *before* a change can't be underestimated. It's a fundamental set of questions to answer: where are we today (current state), what results do we expect to achieve (target outcome), have we reached our objective (target -vs- actual). If you cannot measure a result, then your project is less likely to have significant impact on your business. If the objective is outstanding

customer service, do we measure number of calls per hour, or customer satisfaction with each call?

3. DO insist that any technology-based (customer facing) solution be designed from the customer's perspective. In all of the frustrating experiences that we've experienced, the common thread is a failure to take the customer's view of the transaction. All of the right components are usually embedded in the solution, but the business process or work flow has failed to meet expectation. Design workflows that are capable of handling exceptions. Too often they are "forgotten" and result in poor customer service.

4. DO establish detailed plans that are continuously monitored for progress against the defined measurements. Typically, cost and time are tracked, but results against targeted outcomes are overlooked. A slight delay in a project might result in a better solution when the decisions are made in the context of desired outcomes.

5. DON'T use technology as a tool to screen your calls or enquiries. ALWAYS respond to EVERY phone call and e-mail in a timely manner. If someone takes the time to call you, make them feel important by returning their call... even if you leave a message. Voice mail systems can be a terrific tool when properly used.

6. DON'T hide behind a

computer screen. People want to build relationships with people, not machines. Use the computer as an enabling tool, a replacement for quill pens and parchment. If you use an internet-based order processing or customer service system, be certain that it flows properly through your systems. Give people an option to get to a human being!

7. DON'T create "black holes" in which the customer gets lost in a technology maze. Make certain there is a way for a caller to get to an answer... or a person.

8. DON'T provide web-access that frustrates a customer. Make sure that information is accurate and timely. And, if you promote "you can expect a reply within one business day" be certain to provide it.

9. DON'T use e-mail as a substitute for dialogue... it doesn't work. Some situations require contact and interaction, especially if they are of a sensitive nature. More importantly, email sometimes presents a crisp, demeaning, or negative tone even though it may not be intended that way. Remember emails are written documentation and can and will be used in any manner that the recipient sees fit!

10. DON'T treat salespeople, suppliers or other contacts other than the way you would treat a customer or the way you would want to be treated. EVERY contact is a potential customer,

if not today, then tomorrow.

11. DON'T ignore complaints about your "system." Outsiders are the best resources for learning about limitations that might be overlooked by yourself and your people. Take all comments as constructive, not personal.

SPEND WISELY, GET VALUE

The day and age of throwing dollars at technology without understanding the dynamics and long-term needs of the business are over. Don't place your business at risk unnecessarily. Consider the implications to customers, employees, and the company mission. In fact, think of all people, regardless of their relationship with your Company, as customers. Ultimately, your business can nurture change... and thrive.





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"If it doesn't improve shareholder or stakeholder value, if it doesn't improve customer (constituent) relationships or value, then why do it?"

INSIDE THIS ISSUE:

Explore how your Company may be alienating customers, suppliers and employees. Websites, Phones, Order Processing Systems and how you operate make a long lasting impression. Avoid the pitfalls of using technology inappropriately. Get more value from your investment in customer-facing systems.

IF IT WAS THAT EASY, EVERYONE WOULD BE DOING IT!

This year is proving to be a financial challenge for consumers and businesses alike. Loss of discretionary spending in the U.S., a result of rising energy and food costs, are cramping spending. Many businesses continue to have a backlog of needs from the tight spending of the past few years, but continue to agonize over investment decisions. Rising healthcare costs and *perceived* uncertainty in the markets appear to be continuing the cycle of delay.

As hard as it's been, the strong have survived, albeit with much pain and little or no gain. "My sales volume is up 6% over last year, yet my margins are down," complained one distributor in a meeting last month. "I'm just not making any money this year. We're working harder and longer, carrying vast inventories, and just can't seem to get in front of the challenges." Sound familiar?

Buying a new computer system (ERP, CRM, and other alphabet soup) won't do much to improve return on investment unless the business changes the way it operates. And change is painful. Having the right inventory at the right time for the right customer requires us to change "business as usual."

We recently saw a distributor implement a system and continue to have inventory management issues. They failed to take advantage of a key opportunity: treat inventory in four distribution centers as a total pool. The "old mentality" prevailed: we only ship from the facility closest to the customer. The challenge was exacerbated by the policy that mandated "no partial shipments or backorders." Imagine the challenges that have to be overcome: move away from local account ownership while retaining "personal service;" trusting that another facility will actually pick and ship the right parts to "my cus-

tomers;" segregating Order Entry from Order Fulfillment taking advantage of multiple facilities behaving as one. The list goes on.

If you are considering new systems, follow these four steps to success:

1. Look how your workflow needs to change to better serve customers;
2. Consider how employees will be affected and their jobs changed;
3. Build a qualified team and acquire an experienced project manager who understands how the business needs to change, not just the computer system;
4. Be willing to reject "old thinking" and "old ways."

It's not easy. The time to change is when business is tough. Everyone won't do it. Those that do will have stronger companies and yield better returns.



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