



THE DEATH OF SALES AND THE RISE OF CUSTOMER EXPERIENCE

Henry Ford set about creating value for society and once said a business that makes nothing but money is, indeed, a poor business. In Ford's statement, lies the question: How do we move beyond selling in pursuit of revenue and towards an approach where we create value?

The wake-up call has been coming for years – Covid-19 has only accelerated this shift. And while CEOs of global companies have been claiming for a while now that they have pivoted towards creating great customer experiences, the reality is that most are still simply flogging their products and services to try and drive revenue with no real thought of creating value for their customers or society. Yes, the death knell is ringing for these businesses.

The future will look very different!

The future belongs to those businesses who can facilitate understanding, make sense of complexity and generate positive experiences that are valued, that people are willing to pay for. Unfortunately for most businesses, this is the antithesis of how they operate; it goes against their modus operandi.

If the Industrial Age was about 'product' and the Information Age was about 'data', then the Concept or Connected Age that we are in, is about 'meaning'. So, it follows that those who can help translate the world into something that makes sense, those which can help create understanding, are the ones that will flourish. This is the 'experience' where 'value' resides.

Meaning produces coherence in someone's world, it indicates purpose and significance (that a life is worth living and that one's pursuits are worth the effort). It is critical to understand this: The creation of meaning is an experience and it is in this experience that one creates value. More fundamentally, the products we provide are quickly diminishing in value. In fact, there is a megatrend occurring world-wide where goods and services are being substituted for experiences. This impacts our traditional way of selling.

Today, goods and services are only useful as a means to service the customer relationship. More so, if the customer has a relationship with the product then businesses are exposed to those who can offer the products cheaper or quicker.



Creating meaning is an experience.

In the Industrial Age and the Information Age, goods and products were the centre of economic activity. Here, the participation of the consumer was minimal and the interaction between the producer and the customer was simply a transaction. Now, in this Connected Age, the centre of economic activity is the experience between producer and consumer, one that is co-created and no longer linear or one-way. Whereas, in the past, 'value' resided in the product that was bought and sold, today value exists in the experience that the parties create, together.

Today, the product is a hygiene factor, a threshold domain, but to have impact, one must create value beyond products, to the place where customer satisfaction is born – the experience.

This is a challenge. In fact, Bain & Co. found 80% of companies believe they provide superior customer service but only 8% of their customers believe they receive superior customer service. In this sense, it is clear that businesses are not as good as they think they are when it comes to serving their customers. What this means, is that organisations will need to find new ways to connect with and please their customers rather than try to sell them more and more products. These smart organisations will focus on delivering a better customer experience through untapping latent demand and providing a service that improves the lot of the customer. And these organisations will not be afraid to charge a premium for the value they create – it's how they will get away from competing on price. But to do this, requires a different approach, one that puts the customer at the centre of the relationship. This shouldn't be difficult but the fact is that most businesses are focused on creating revenue not value.

There are four monetary markers that indicate whether a business is putting the customer at the centre of the relationship: Increasing share-of-wallet; greater stickiness or loyalty; word of mouth referrals and; continual purchase behaviour – anything less and 'customer-centric' is just another marketing slogan.

In our sales training, we say, "You need to get the customer to buy you and the experience you create ... your products simply exist to service your customers ... the products themselves are not how you create value or build a relationship." It is a statement of fact that in this Concept Age, businesses need to have a great relationship before they can begin to understand what the right products and services are for a customer, and it is for this reason that building a customer relationship should precede the sale.

What we observe, however, is that many companies are hanging on to product-based relationships but these relationships only satisfy the customer if value resides in the product itself; but it does not.

The future is here, but are we ready for it?

Organisations must now compete on their speed of learning; how quickly they can understand what customers value and use these insights as an input to design meaningful experiences for the customer.

Founder and CEO of Mu Sigma, Dhiraj Rajaram describes it like this: “Learning is more important than knowing and experimentation is more important than expertise”. In this reality, businesses need to ‘operate to learn’ and use operations as an input to design, not as a pathway to profit - anything less and one’s relevance is jeopardised – this is the challenge of our age.

Our graphic, illustrates shifts required to maintain one’s relevance and grow value.



Jerry Garcia of the Grateful Dead said something like: It is not enough to be the best at what you do, you should try and be the only one who can do what you do!

To strive for Garcia's benchmark, sales professionals must work much harder to understand customers and what they value. This requires tremendous curiosity and fierce empathy - without it, one cannot build the deep levels of trust required to connect with others and engender meaningful experiences. On the other-hand, get this empathy quotient right and no one will be able to compete with what you do because no one will understand the customer like you do.

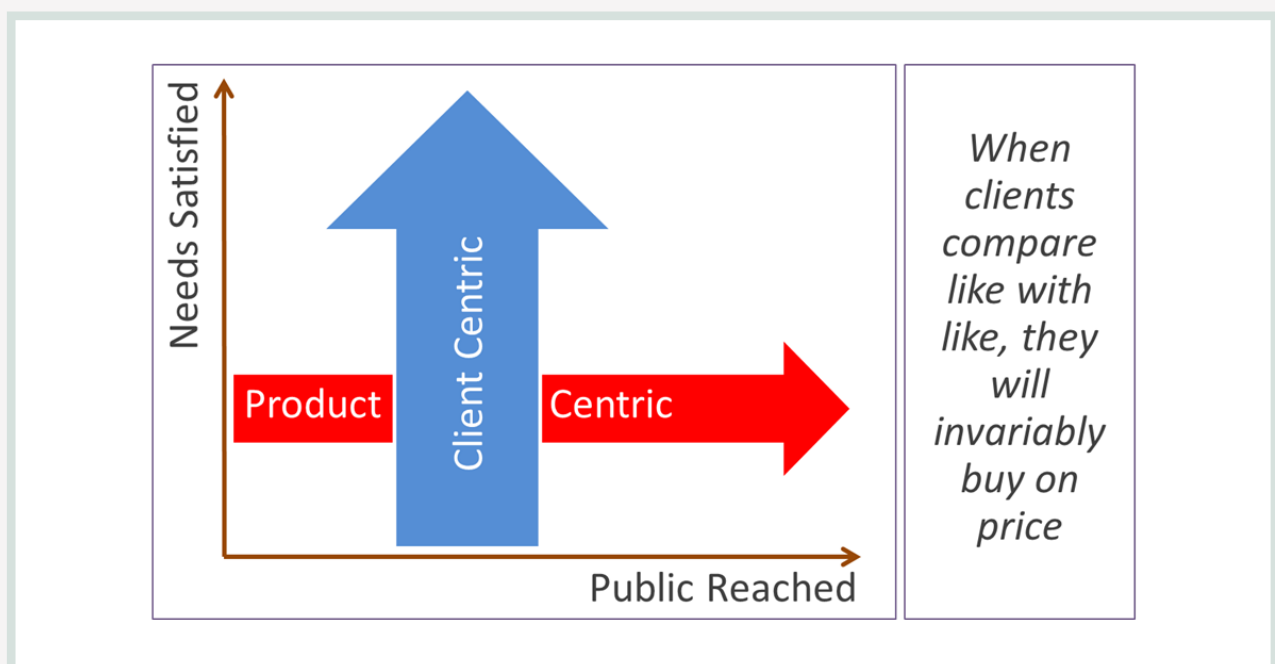
Empathy is at the heart of a flourishing relationship. Empathy is at the root of how people feel and the basis for how we create meaning. Empathy is also the precursor of agility; it is how we learn what the customer needs.

It is a fact (at least at this moment), that machines cannot build trust because they cannot demonstrate empathy - empathy is the antecedent to success.

What sales professionals need to develop is what we call the 7-Cs: Customer-centricity, Courage, Curiosity, Connection, Care, Collaboration, Consciousness. At the centre of these is empathy. The reality is, however, that these are in short supply in most businesses. This makes it nearly impossible to achieve trust, commitment and engagement and the 4-monetary markers, I wrote of earlier.

Worse still, it makes it almost impossible to generate creative, innovative new ways to meet customer needs.

The root of the problem is the dependency on a product-centric model. This diagram represents the difference between product-centric and client-centric models.



The modus operandi of a product-centric model is to find more and more customers for your products and services. The MO of a customer-centric model is finding more valuable ways to serve your customers and meet their needs. These are uncovered via empathy. A customer-centric model requires one to care for the customer, first-and-foremost, and this is tough when people are focused on making the sale. But when 70% of the buying experience is based on how a customer feels they are being treated (and nothing to do with the product they are buying), a different operating model is called for.

The bottom line is most businesses are not creating value; they are providing a product; they are a relic of the Industrial and Information Ages. These companies win by selling more product and grabbing a greater share of the market. Smart businesses win by creating a better experience, by engendering greater customer satisfaction. This is a profound change in the way businesses must operate and to make this shift, we need to listen to the customer!

It's a gloomy predicament, but most businesses are not agile enough to make this leap, to keep iterating their value proposition, to adapt and renew. One reason for this is that sales people do not collaborate well with customers and this makes it almost impossible to uncover their real needs or new ways to serve them.

The wonderful particle physicist, Brian Cox, said something like: True progress requires more than one brain. In any case, what is missing for most sales professionals, is any concept of social learning or co-creating new understanding with the customer. Einstein said if he had a really difficult problem to solve and an hour to do it, he would spend 55-minutes thinking about the problem and the right questions to ask and then 5-minutes on the solution. Most sales professionals have this 'enquiry/solution ratio' the wrong-way round and as such, make assumptions about customer needs. In this brave new world, however, we will need to be far less 'sure' and much more humble; far less 'certain' and far more ready to ask questions and learn.

Without this pivot, most customers will remain fairly indifferent about their relationships and while we will continue to deliver products, such 'transactions' will fail to be a positive experience which is valued by the customer.

When 9 out of 10, Americans say they would pay more for a superior customer experience, competing on price isn't an effective way to build an enduring business.

Even if the product you are selling is by far and away the best in the market, it is only a matter of time before it is copied or supplied by others at a cheaper price. Still, most customer interactions are mere transactions.

What is certain, however, is that nearly every good business idea comes from customer intimacy and immersion. It follows that all customer interactions must be profoundly individual and unique and they must be less transactional. What this really means is that future success will depend on prioritising the customer 'relationship' each and every time.

Research finds that doctors, on average, interrupt patients after only 11 seconds. The frightening reality is that most sales interactions follow this same approach. Why? Because we still believe our value resides in our products. It pains me to say it, but it is a nonsense for anyone to think that they can create value without understanding what the customer truly needs – it is why there is an 80% to 8% gap between the level of service companies think they provide and what the customer experiences.

What most companies fail to appreciate is that they are in the people business. In fact, if you have customers you are in the people business and your value resides in the experience you create when you interact with customers. Here, a company's product ought to be regarded as a 'threshold' domain - it's required to enter the field, but beyond this, it is not the difference between sustained success and poor levels of customer satisfaction.

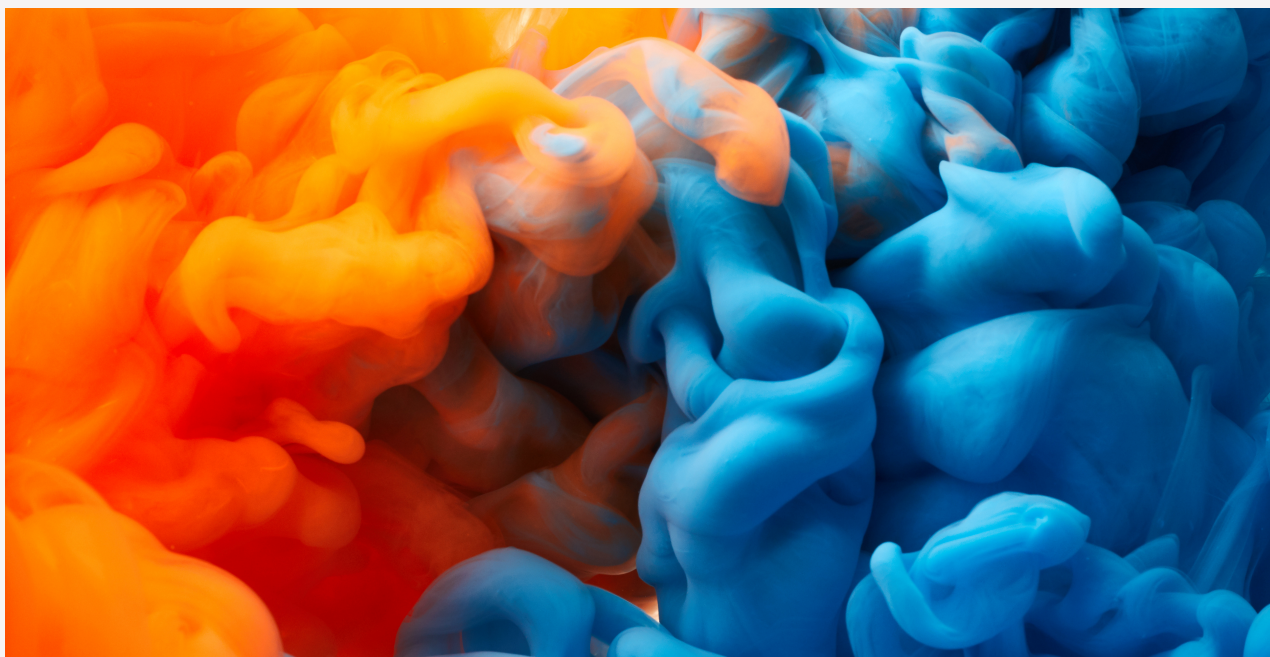
The world today demands something different. Empathy, understanding and taking the customers on a journey to make sense of current challenges is what is needed; it is the experience customers value. Nobel Prize winner, William Bragg said the important thing is not to uncover more facts, but to discover new ways of looking at those facts. This is learning in action, this is the process of discovery, this is what is meant by helping customers make sense of complexity. The fact that Bragg said it sometime around 1914 shows how slow we have been to move-up the curve.

There is this fallacy that talk reduces efficiency but every study shows that conversations increase productivity and helps people build relationships that uncover real needs and opportunities. In this sense, this 'talk', this conversation is our value proposition. Why?

Because a good listener is magnetic; people are drawn to them. It is in conversation where ideas are created and unfold, where futures are born. Listening is also the demonstration that the talker is a person of worth. Our products are only relevant in that they give us access to a conversation with our customers.

With the pace of change today, we have lost our capacity to listen, to make meaningful connections and to engage authentically with others. In this state, our ability to demonstrate empathy and create value, vanishes.

Worse still, this Connected Age requires us to walk into customer interactions with little certainty, it requires us to be vulnerable, unsure of where the conversation may go. The upshot is this: This Connected Age takes us far out of our comfort zone and leaves us exposed in an open-ended world where outcomes are ambiguous.



The truth is, we all face a volatile, complex, ambiguous and uncertain world, packed full of novel problems and multifaceted challenges where we have little certainty as to the right answers – Covid-19 being a case in-point. What we have seen during this pandemic is that situations are now too complex and too uncertain to think that our products are enough to satisfy customers. Instead, collaboration with our customers is what is needed to identify ways to improve their overall business.

Let's drill down into this.

Most people would have heard of VUCA (Volatile, Uncertain, Complex, Ambiguous), an initialism to describe the topsy-turvy, chaotic world we live in. When applying the concept to the current environment in which businesses operate, we can make the following observations:

- The pace of change today invalidates many established practices, products and services – they are not fit-for-purpose and consequently, subject to degrading relevance. In this case, it is not enough to be a learning organisation; businesses must maximise feedback and with great organisational flexibility, constantly re-invent their service delivery. As such, sales professionals must quickly translate learnings into reimagined ways to help their customers. Bluntly, in this amplified change environment, the future belongs to the quickest learner not the one who knows the most.
- There is simply no, one-right answer when it comes to complex situations – we cannot reliably know what an outcome will be and the inter-play of inputs affects outcomes in non-linear and unpredictable ways. In this sense, we are no longer in a ‘complicated’ world where moving parts fit together in ordered and structured ways. Instead we are in a complex world where problems require us to leverage diverse new thinking. Without these skills and mindsets, we face today’s challenges with an over-reliance on redundant solutions and a lack of creative alternatives. What is needed is a bespoke, non-fixed, actively generated and emergent suite of skills, mindsets and approaches.
- It must be obvious by now that past ‘ways of selling’ no longer work in a changing, amorphous world - they are not flexible enough to deal with changes or sufficient to create meaning for our customers. As Darwin said, those that flourish are neither the biggest or strongest or smartest but those which are most flexible, those that adapt most easily to changes in their environment.
- In this accelerated world, where disruption has rendered business models incapable of making sense of the noise around us, our core evolutionary requirement must be flexibility. The antecedent attributes which enable flexibility, the 7 ‘Cs’ of empathy, is where we need to start. These will enable us to learn fast, to truly understand customers, to uncover real needs and to help our customers imagine a better future.

Organisations always claim that they are differentiated by the quality of their products and services. The truth is, however, that despite the quality of those products and services, they are locked into a price driven strategy, a race to the bottom, as it becomes harder and harder to distinguish themselves and deliver what customers value. Unfortunately, most don't know how to demonstrate the behaviours that create a better customer experience. Without these skills, and with little organic growth for traditional products and services, these organisations can only achieve growth by winning market share from each other. What is missing is demand creation and enabling an emergent market. It is a paradox, to be sure, but if these businesses could only put the customer first, they would create demand.

While it may be apocryphal, Henry Ford said something like; If I had listened to what my customers were saying they wanted, I would still be trying to make faster horses. So, we need to get curious and uncover the real challenges, objectives, goals and drivers of customers. This is the antidote to poor satisfaction that most customers experience when dealing with many so-called great product companies.

In this time of Covid-19, the greatest organisational asset any business has, is listening. Listening allows for signals to be detected and discerned, to distinguish between short-term adjustments and shifts in customer and societal behaviour. But most businesses are not listening and treat their customer relationships as a conduit to sell products rather than create value.

The sad truth is that we are not very creative and we rush to sell products way too quickly and then wonder why customer satisfaction levels are so low and customer churn is so high!

The measure of success must always be our impact on the customer. This criterion instantly shifts where our efforts and energy are invested to the place where value resides. In this pivot, we come up with all manner of new, creative and innovative ways to help customers – this is the competitive advantage that leads to higher levels of sustained performance.

Our role as sales agents ought to be to keep asking questions until the customer gains insight and understanding. Let's face it, we all want to be seen as smart but this inhibits our value and stops us truly empathising and learning. So, we all need to stop trying to impress others and start building the types of experiences where meaning is created, where understanding is born - the biggest breakthrough I ever made was being comfortable saying, "I don't know yet, so tell me more."

Businesses will claim such an approach wastes too much time and that they cannot afford to spend so much time 'listening to the customer'. My response is: You can't afford to have interactions that the customer doesn't value. When people tell me I spend too long on the front-end of the 'transaction' and that I should move onto 'selling', they are sabotaging their opportunity to create a great experience - and there's no value in that!

What should we do?

To be successful in sales we must be deeply curious and must help customers to discover. We must operate to learn; not operate to flog products. And we must put the customer first and foremost and prioritise the relationship each and every time.

We must also accept that customers don't care how smart we are! At the end of the day, people buy to get rid of a problem they have (and don't want) or to create a reality they want (but don't have). For this reason, it is imperative to make customers feel enabled and empowered to create the future they desire - this is how to have real impact.

Great products will always be a requirement of entry but we must remember that without great relationships, most products simply do not deliver customer satisfaction. It is a cruel fact but it does not matter how good your product is if you are not able to create experiences that are meaningful and valued in the eyes of your customer.

The 7 C's of Empathy



It is our human birthright to be able to connect to other human-beings and to have conversations which help make sense of the world - these are the birthplace of meaning that drive value.



My last words go to the great American poet Maya Angelou and it is a cautionary tale for us all: People will not remember what you say or what you do but they will always remember how you make them feel. If we want to create meaning and drive sales, if we want sustained relationships based on trust and real value; then we must fundamentally change the operating model under which sales take place. The way forward must be: Help people to understand and make sense of the world and then we will continue to be relevant and of value to our customers.



It is our genuine hope that this paper contributes to our mission of building purpose driven organisations and helping organisations to grow their internal capability to match their external ambition – helping all organisations to be their best is what drives us.

We encourage you to contact us to explore this paper further.

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