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# **2010 National BDPA Technology Conference**

## **Turning a Business Crisis into Revenue Restoring Customer Confidence After a Conflict**

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**Philadelphia, PA**



# Outline

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- **Introduction**
- **Objectives**
- **Company Culture**
- **Customers**
- **Crisis**
- **Restoring Confidence**
- **Opportunity Window**
- **Conclusion**
- **Reference Information**

# Introduction

## MJD Management Group



- + Guest Speaking
- + Pay-It-Forward Networking
- + Mentoring



- International Business
- Management
- General Business



# Workshop Objectives

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- Review the importance of company culture for customer engagement and advocacy
- Explain the customer mindset and supplier relationship from the customer perspective
- Provide insight into customer perspective and expectations during a crisis
- Provide strategy, tactics, and best practices for restoring customer confidence after a crisis



# Company Culture



**“That’s the way we do things around here.”**

# Company Culture

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- **Difficult to express, but you know it when you sense it**
- **Comprised of assumptions, values, norms, and tangible signs of employees and their behaviors**
- **Customer impressions are from perceptions and experiences at every touch point**
- **Culture types dictate strategy, tactics, and execution for organizational change**
  - **Control (Hierarchy), Collaborate (Clan), Compete (Market), Create (Adhocracy)**

# Company Culture

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- Understanding your company culture is the first step on the customer advocacy journey
- Understanding the customer culture is essential
- Aligning IT with cultures and PM processes are the most common reasons for project failures\*
- Relationship with credibility and reputation impacts the 'investment' scope and time required to restore customer confidence

\*Source: Tilmann and Weinberger, 2004



# Customers



**What do they want?**

# Customer Requirements

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- Intense focus on value, ROI, TCO and expense levels
- Tools to manage and reduce ongoing complexity are strategic
- Productivity of knowledge workers
- Greater usage of industry standard building blocks
- Vendor stability and strength are important buying criteria



# What Customers Want

<b>1. Listen to me</b>	<b>9. Show me your care</b>
<b>2. Know more than I do (about your product or service)</b>	<b>10. Don't waste my time</b>
<b>3. Be easy to work with</b>	<b>11. Be honest</b>
<b>4. Give me what I came for</b>	<b>12. Offer alternatives if you don't have what I want</b>
<b>5. Smile</b>	<b>13. High quality and low prices</b>
<b>6. Tell me your name</b>	<b>14. Don't try to sell me. Just help.</b>
<b>7. Acknowledge my presence</b>	<b>15. Do what you say</b>
<b>8. Don't treat me like I'm an interruption</b>	<b>16. Kept me informed</b>

Source: Group Customer Service Survey - Kevin Stirtz, 2006

# What Customers Executives Want

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- Assurance of IT uptime
- Easily accessible services, processes, and technology expertise
- Flexible availability mapped to business needs
- Trained and knowledgeable staff
- Maximum return on investment and quality of service
- Single point of accountability
- Partnership with joint risk sharing

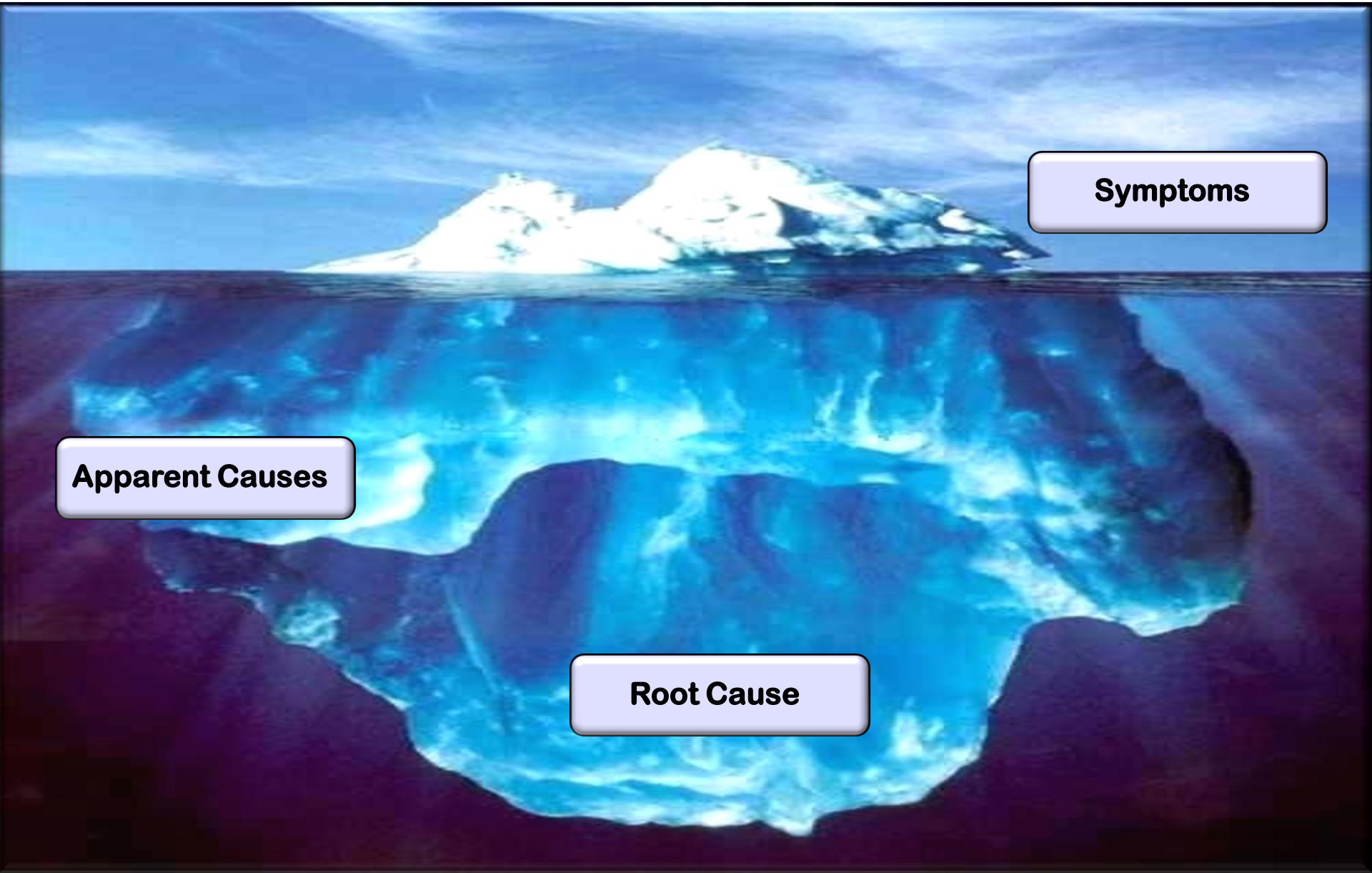


# How Important is Your Customer?

	Yes	No
Does CEO communicate customer experience is a key strategy?		
Does the company's strategic plan(s) discuss the customer?		
Is executive pay tied to customer experience objectives?		
Do the BU's have a clear set of customer-centric objectives?		
How frequently does management meet with the customer?		
Does a formal closed-loop voice of the customer program exist?		
Are your customer metrics customer experience relevant?		
Are customer support activities closed loop?		
Do you seek and actively listen to customer feedback?		
Are quality processes used for learning and improvement?		
Are customer advocacy actions incented and celebrated?		
Does an active executive sponsor program exist?		

**Commitment Level**  
**# of Yes Items**  
 0 to 6 Low  
 7 to 9 Moderate  
 10 to 12 High

# Crisis

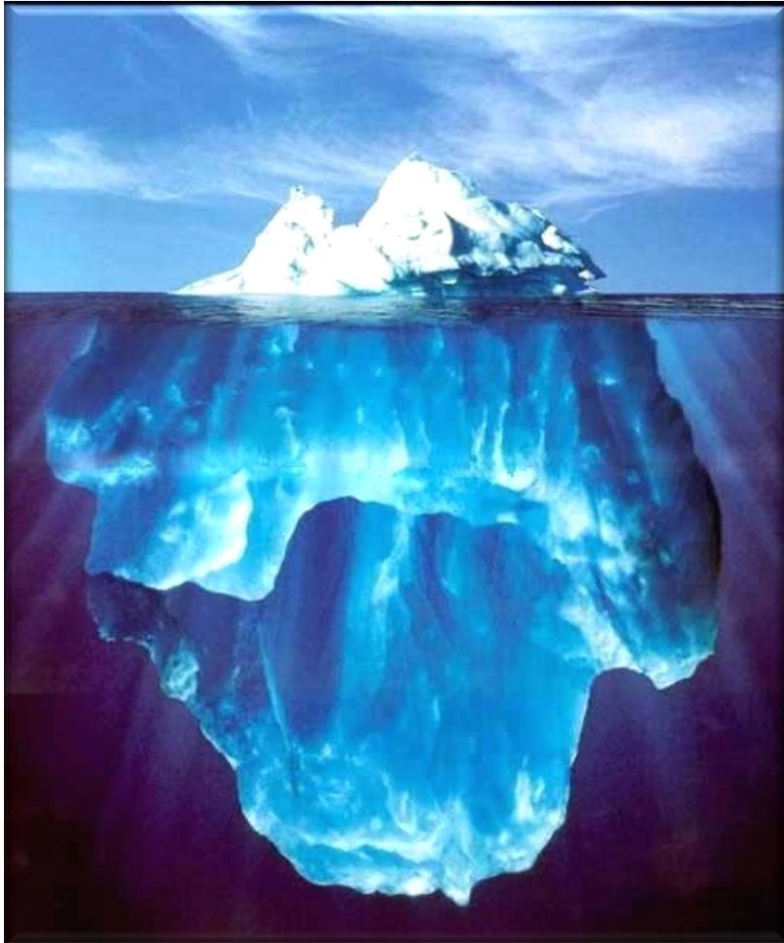


**Symptoms**

**Apparent Causes**

**Root Cause**

# Customer View vs. Reality



## Business or situation issues

### Technology and support

Hardware and support failures, patches, capabilities, cost

### External

Economic, competition, regulation

### Sales

Requirement issues, unrealistic budgets, re-orgs, mgmt turnover

### Customer process issues, training

Business acquisition, divestment, \$\$

### Customer expectations

SLA vs. price paid for solution, time, resource, etc...

# What is a Crisis?

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- **The most severe form of customer conflict**
  - **Business**
  - **Technical**
  - **Other**
  - **Any combination**
- **The problem management process fails to meet customers' real or perceived expectations**
- **Customer formally complains that revenue or penalties are at risk or the business relationship is in jeopardy**
- **Proactively requests to obtain engagement and awareness in advance of a deadline where a negative outcome could be catastrophic**



# Why do Customers Escalate?

## **Responsiveness issues**

Problem management process is unable to resolve within required timeframe

## **Expectations**

Custom expectations where missed, misset, or never set

## **Lack of confidence**

A lack of confidence that the problem solvers ability to resolve the situation coupled with support and business solution

## **Chronic issues**

Chronic business issues or intra/inter organization issues (i.e. product, partner, or project)

## **Risk or loss**

Significant financial loss, penalty, or bad publicity

## **Relationship**

Business relationship is in jeopardy or legal action possibility



# Customer Expectations During a Crisis

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- **A clear understanding of how the problem impacts their business and operations**
- **An appropriate action plan with clear contingencies, ownership, and dates**
- **Communication with management and technical teams with regular updates on the progress or problem resolution status**
- **Short-term solutions or workarounds to minimize the business impact**
- **Recommendations that will prevent or mitigate the crisis root cause from reoccurring**



# Restoring Confidence

**How do we get there from here?**

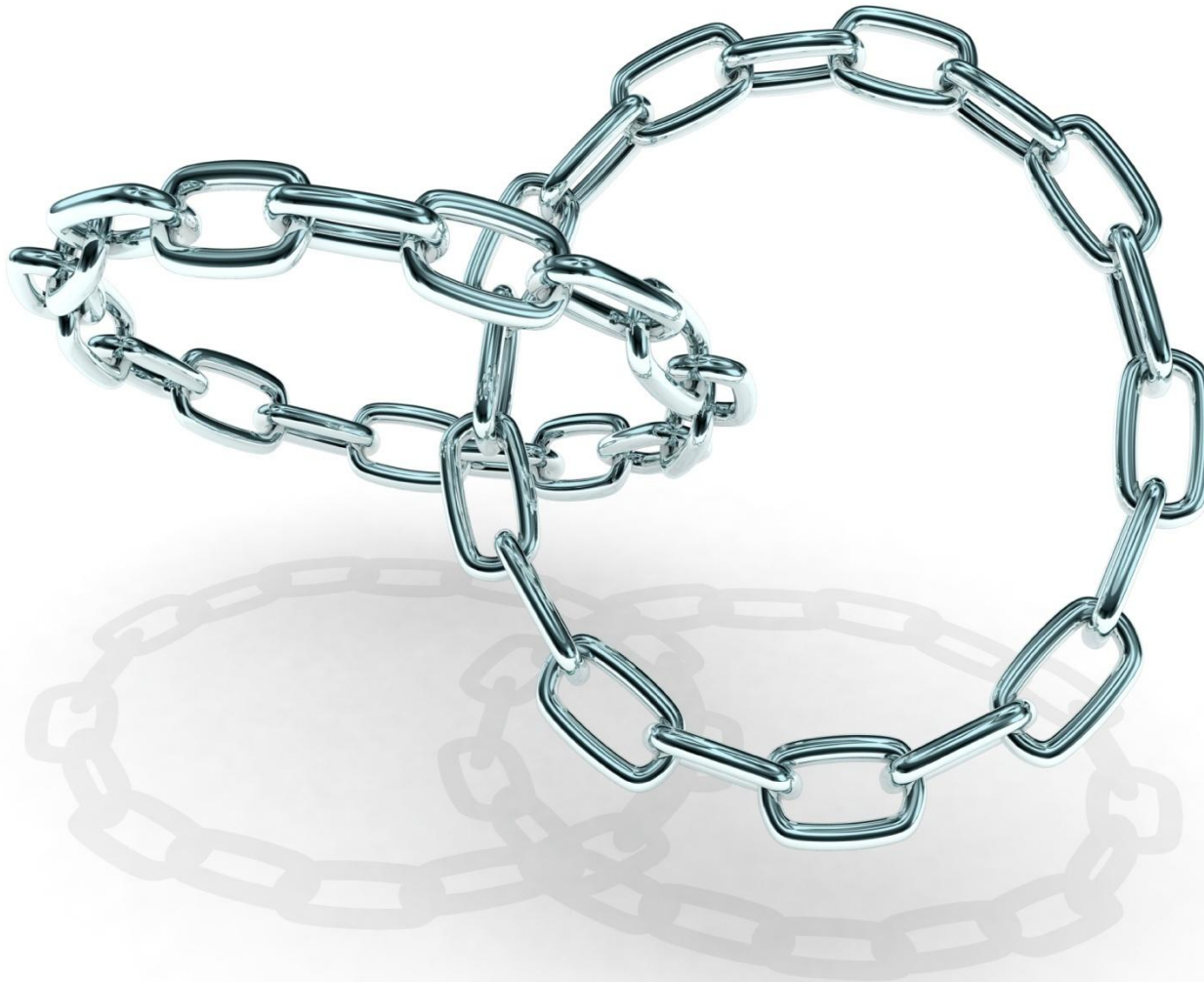
**It's both an art and a science...and time**

# Restoring Confidence

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- **Begins with engagement at first crisis meeting**
- **Engaging a single focal point (trusted advisor)**
- **Executive empowered... 'one throat to choke'**
- **Take ownership and accept responsibility**
- **Acknowledge customer pain and business impact**
- **Jointly developing initial status report (situation, scope, impact, status, resolution criteria)**
- **Obtaining buy-off for SMART action plan providing relief, stabilization, and improvements**
- **Demonstrating consistent customer advocacy**
- **Leveraging closed loop life cycle and methodology**
- **Utilizing quality tools for root cause/opportunities**

# Restoring Confidence



**Customer  
Advocacy**

**Trusted  
Advisor**

**Crisis Life  
Cycle**

**Crisis  
Methodology**

**Best Practices**



# Customer Advocacy

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- **Doing the ‘right thing’ and putting customers first**
- **Really listening to customers, understanding them and solving their problems**
- **Taking ownership of a customer call or issue, even if it was misdirected to you**
- **Taking steps outside your job to help a customer**
- **Supporting sales and service team both before, and when, they ask for help**
- **Infuse the company with deep customer insights**



# Customer Advocacy

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- **Demonstrating a personal commitment to meeting customer needs in everything you do, no matter how far away you “think” you are from the customer**
- **Finding the customer link in daily activities; create a introduction, “I provide value to customers by...”**
- **Going against the crowd if necessary and taking a risk to highlight internally something that really doesn’t make sense for customers**
- **Communicating openly and honestly with customers by always doing what you say you will do**



# Trusted Advisor Role

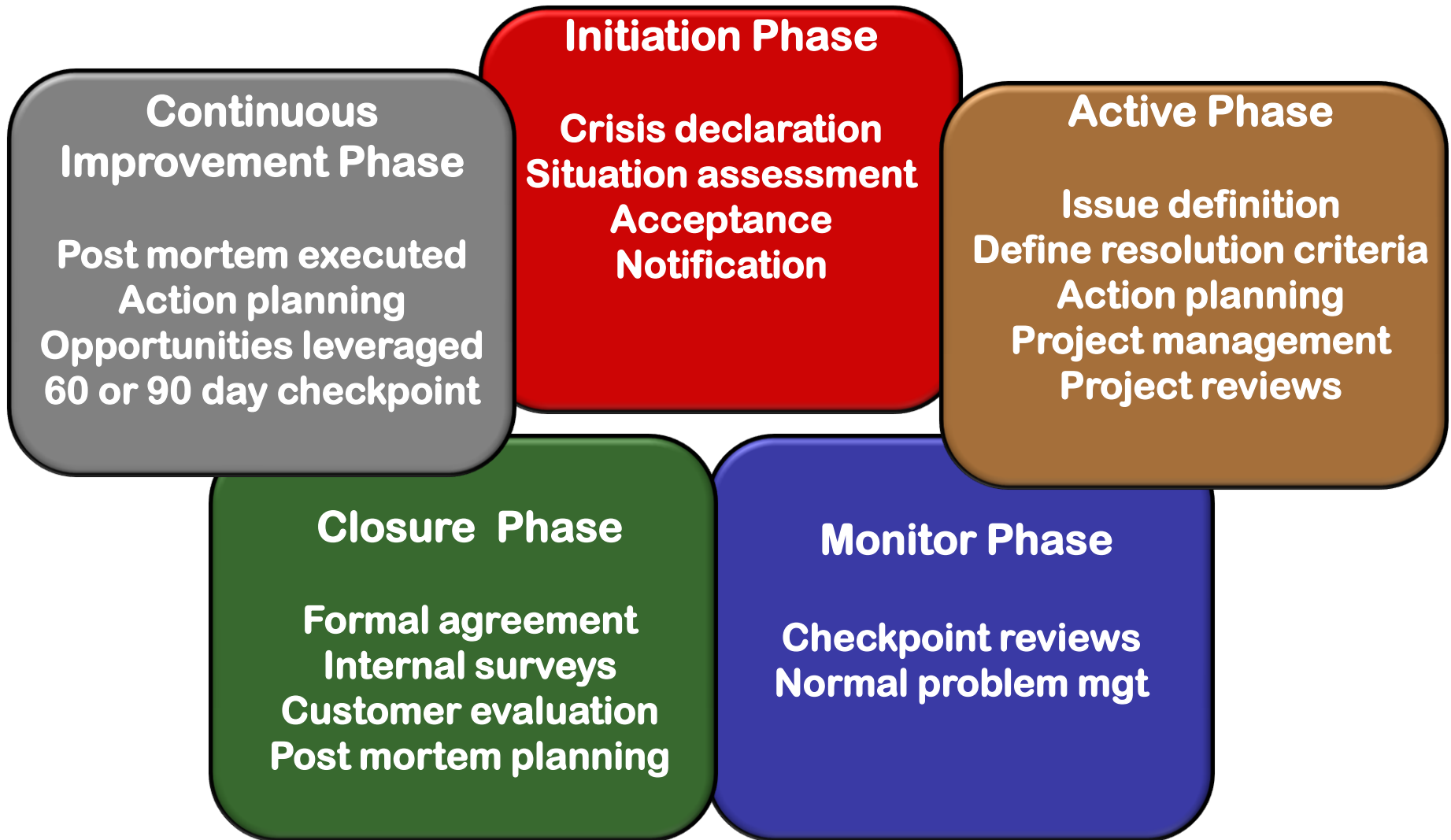
<b>Executive sponsored, senior program manager (with expense account)</b>	<b>Empowered as focal point</b>
<b>Focuses resources on risk mitigation and improvement opportunities</b>	<b>Owns restoring customer confidence in products, services, and people</b>
<b>Responsible for regular communicating situation status to all parties</b>	<b>Focuses all necessary resources on problem resolution</b>
<b>Responsible for the overall situation success</b>	<b>Owns direct customer contact and visits</b>
<b>Provides internal/external executive reviews</b>	<b>Leverages quality tools</b>



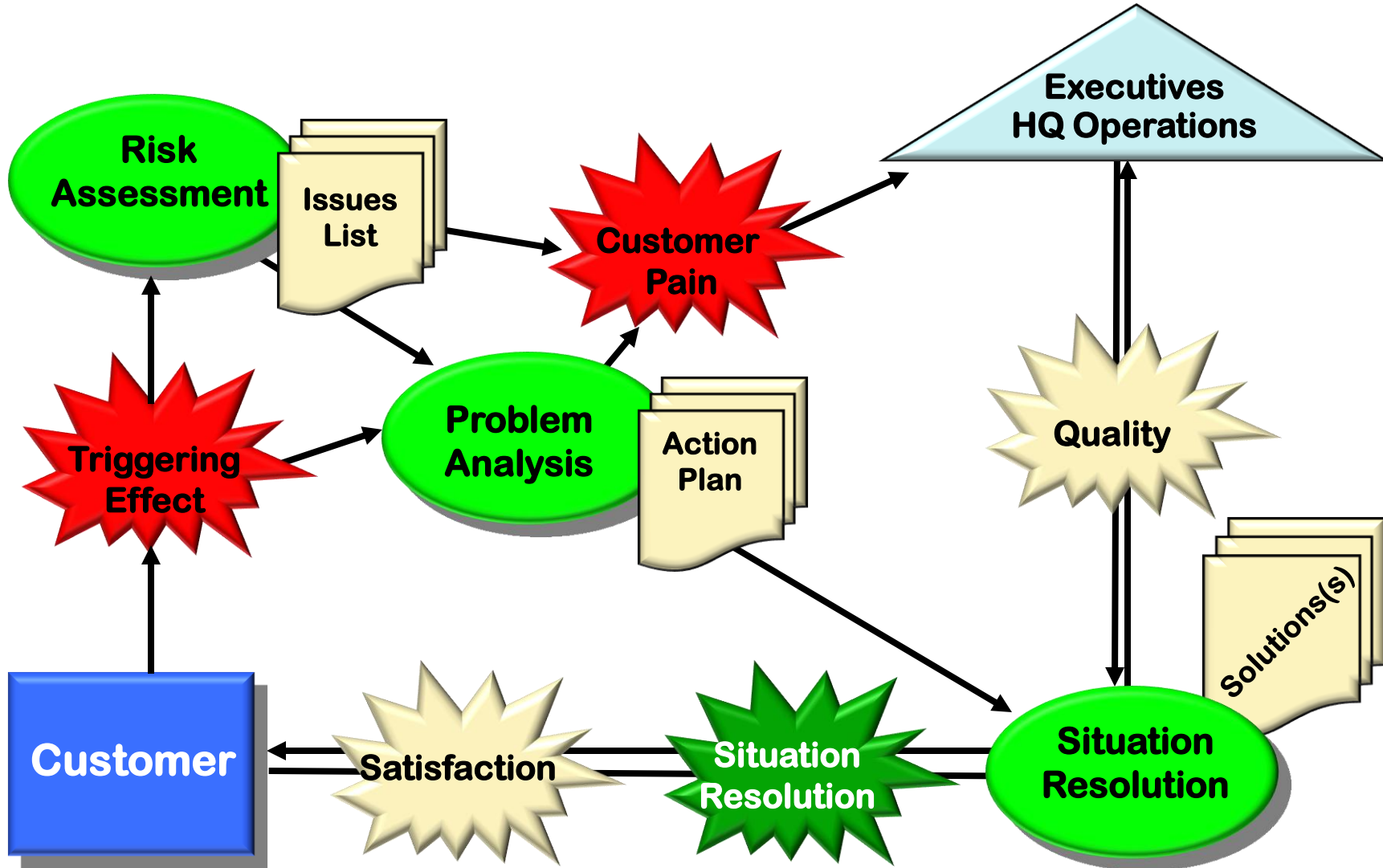
# Trusted Advisor Characteristics

<b>Ombudsman, diplomat, conductor, truth teller, task master, advocate, coalition builder, negotiator</b>	<b>Strong communication skills (especially effective listener)</b>
<b>Knowledgeable</b>	<b>Integrity</b>
<b>Accountable</b>	<b>Accepts responsibility</b>
<b>Confident</b>	<b>Can be firm and direct</b>
<b>Integrity</b>	<b>Can do attitude</b>
<b>Sets proper expectations</b>	<b>Keeps commitments (never over commits)</b>

# Crisis Management Life Cycle



# Crisis Methodology



# Opportunity Window



- **Start intelligence gathering at Initiation Phase**
  - Internal business / support plans
  - Customer business, drivers, goals, strategy, wish list
  - What keeps exec. up at night?
  - Other problem or issues
- **Solve a few other executive items**
- **Opening during Active Phase**
- **Connect the dots with improvements to business goals**
- **Ombudsman “.we...meeting your future goals”**
- **Offer assistance for road maps, strategy, solution**

# Conclusion

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- **Company culture is an corporate asset**
- **Make an advocacy commitment and stick to it**
- **Do the ‘right thing’ and putting customers first**
- **We do what is measured, incented, and celebrated**
- **Know what keeps your customer up at night**
- **Trusted advisors are the “last line of defense”**
- **Executive sponsorship/empowerment is mandatory**
- **Listening, leadership, and accountability**
- **Communicate openly and honestly to customers**



# Contact Information

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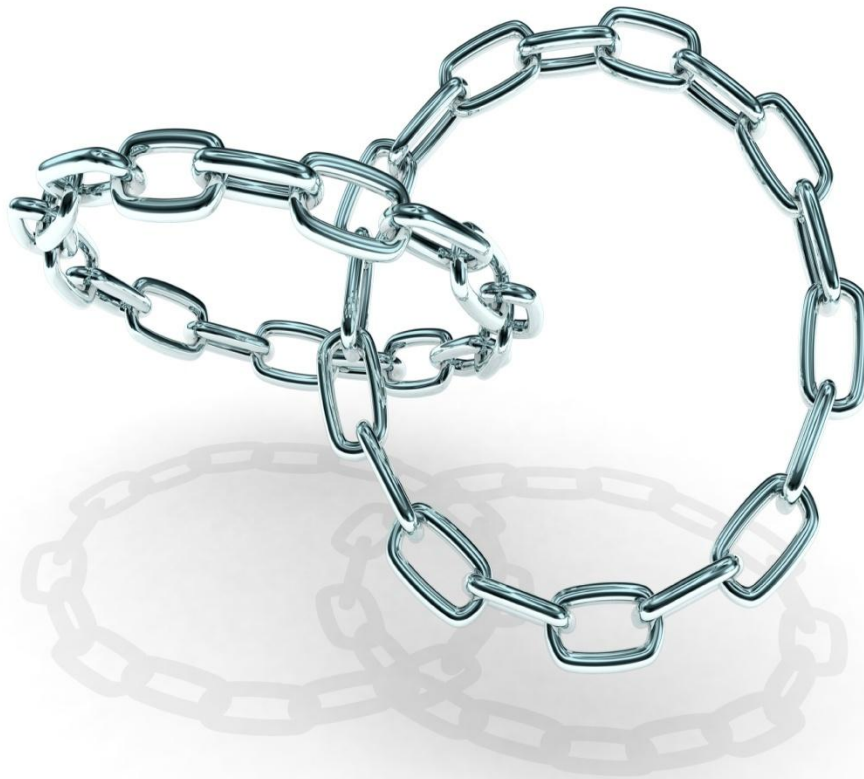
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- **Crisis Best Practices**
- **Why IT Projects Fail?**

# Crisis Best Practices

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**Account Management**

**Communication**

**Process**

**Documentation**

**Quality**

**Metrics**



# Crisis Resolution Best Practices

1.	Engage the customer at all levels	Account Mgmt
2.	Jointly define resolution and criteria	Account Mgmt
3.	Own/lead the situation	Account Mgmt
4.	Own the documentation	Doc.
5.	Accept responsibility for the problem	Comm.
6.	Communicate, communicate, communicate	Comm.
7.	Control the message	Comm.
8.	Focus on root cause	Process
9.	Focus on mitigating problem reoccurrence and improvement opportunities	Process



# Crisis Resolution Best Practices

10.	Develop overall plan with stabilization, recovery, and improvement components	Doc.
11.	Develop action plan with clear responsibility and accountability	Doc.
12.	Develop multiple contingency plans	Doc.
13.	Conduct a joint post mortem	Quality
14.	Identify other improvement opportunities outside crisis and assign ownership	Account Mgmt
15.	Jointly defined post monitoring time period	Process
16.	Facilitate executive sponsor assignment	Account Mgmt
17.	Implement metrics to measure and improve	Account Mgmt

# Why IT Project Fail?

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- **The most common reasons for project failure are rooted in the project management process and the aligning of IT with organizational cultures \***

\*Source: Tilmann and Weinberger, 2004

- **The primary causes for the failure of complex IT projects:\*\***

- Poor planning
- Unclear goals and objectives
- Objectives changing during the project
- Unrealistic time or resource estimates
- Lack of executive support and user involvement
- Failure to communicate and act as a team
- Inappropriate skills

\*\*Source: Coverdale Organization Cushing, 2002