

## “Know Thy Customer”

**That may sound like a no-brainer, but how can CIOs truly understand the needs of their customers, whether external or internal? To find out, Smart Enterprise interviewed several experts on the subject of customer-centricity. Here are their tips for CIOs who wish to enhance their customer focus.**

*By Paul Hyman*

**ESTABLISH A POWER BASE** by developing a program of systematic customer satisfaction surveys, says Curtis Bingham, president of Predictive Consulting Group in Littleton, Mass.

“You need to have a way of measuring where you are now and where you are going,” Bingham says. CIOs who can’t make the case that their customer-centric programs are reaping rewards could be in trouble, he warns, “As soon as budgets start feeling any pressure, they will be the first things to be cut.”

Bingham further recommends that CIOs begin by surveying their internal customers. “When internal customers are satisfied that you’re meeting their needs and helping them get work done on behalf of the outside customers, you start establishing a power base,” he says. Then, when the time comes to defend the IT budget and activities, he adds, “you have the power base from which you can draw.”

The initial survey could ask marketing how well the CIO is enabling them to do their lead generation, their market segmentation, their data analysis and so forth, says Bingham, adding, “In other words, how well are my departments enabling you to do your job, which brings in money for the company?”

**CREATE TRUST** within your own company, recommends Craig Lawton, senior partner and managing director at Boston Consulting Group.

One of the biggest issues affecting IT is a lack of transparency regarding what the IT department does within the company, Lawton says. “Not everyone completely understands what IT does for the business,” he explains, “from the business benefits that will be achieved by IT’s efforts, to the metrics used to measure IT’s contribution to the bottom line.”

To deal with these multiple misunderstandings, one savvy CIO composed a “state of the union” letter at the end of each year, then delivered it to all his key internal customers, Lawton recalls. “Basically, it said, ‘Here are our seven key initiatives, here’s what they cost and here is how those initiatives are benefiting the company,’” Lawton says. The tactic has “done wonders” for making the efforts of the CIO’s groups transparent, he adds. More important, that CIO has also gained trust — and support — from his organization.

**BECOME INTIMATELY FAMILIAR** with the business of your customers’ companies, not just their technology needs, advises Dr. Michael Hammer, president of Hammer & Co. Inc., a business education and research firm in Cambridge, Mass.

“Technology per se is diminishing as the focus of the IT organization,” Hammer says. “The IT organization was originally created because technology was difficult and quirky. But that’s not so true anymore.”

What the IT organization is really about now, Hammer adds, is not computer systems, but business systems. What’s more, IT will be increasingly called on to solve a broad range of customer problems. “IT is being called on not just when the customer needs a new computer system, but also when it needs a new way of doing business, which happens to be supported by a new computer system,” he explains.

This new role for CIOs and their staffs is analogous to Louis Gerstner becoming CEO of IBM in the early 1990s, Hammer says. “Gerstner wasn’t a computer guy; he was a customer guy,” Hammer explains. “Similarly, the CIO will need to be a customer- focused business person, rather than an inward-focused technology person.”

**LEVERAGE TECHNOLOGY** to evaluate the effectiveness of your customercentric activities, says David Hicks, CEO of London-based Mulberry House Consulting. CIOs can use new technology platforms to ask external customers how they’re doing, Hicks says. These include “customer experience management” services, which capture and deliver customer experience information.

Not only do you get the results in real time, but the responses also have a high correlation with business performance, Hicks says. “As CIO, you can report back to your organization that these are the elements that are working for your company to create advocates,” he explains. “Conversely, these are the elements that are creating detractors.”

These platforms can also alert and warn CIOs when their company is at risk with a particular customer. They can even indicate which services or features need to be fixed immediately. “These are powerful tools,” Hicks adds, “and they can enhance the customer- centric image of any CIO.”

*Paul Hyman is a freelance writer who reports on technology. He was formerly editor in chief of Electronic Buyers’ News and GamePower.*



**Curtis N. Bingham**, President of The Predictive Consulting Group, helps organizations dramatically increase customer acquisition, retention, & profitability. For more information about Customer Strategy, his new Customer Experience Audit, or Chief Customer Officers, visit his website at <http://www.predictiveconsulting.com> or his blog at <http://www.curtisbingham.com>.