



How Customer Service Can Help Global Companies Win the Race to Innovate

By Jackie Bassett, CEO, BT Industrials, Inc.

From PayPal to Netscreen Security to Hewlett-Packard, no company gets the first version of their new product right. But each of these companies had gone on to phenomenal success with innovative new products that disrupted traditional markets. What was their formula for innovation success?

From “But The Engineers Said It Was Great” to “Now What?” the real answers to what customers want can be heard in the everyday conversations customers are having with customer service. CEOs should forget those market research reports and start inviting customer service to their strategic planning meetings.

There is a great race to innovate amongst Global 500 companies today but the best methodology is the subject of much debate. IBM recently reported the results of their in-depth interviews with 765 CEOs and business executives around the world on the subject of innovation. A key consideration that was offered in this report was to “defy collaboration limits and open a world of possibilities.”

But the study also reported that CEOs saw a “collaboration gap” when it came to actual implementation. Customer service is a great starting point for closing the collaboration gap that will win the race to innovate, simply because they are closest to the customers. After all, one of the key drivers behind innovation is the need to win more customers in an increasingly competitive global marketplace.

Any collaboration gap is easiest to close when you start where the lowest behavioral delta is as their missions map very closely. It is there where those early, trust-building successes can be had that will serve as a foundation for success in divisions where collaboration may face much greater resistance.

So where does the mission of customer service map closest to the mission of what the other major divisions of a global company? Basically, unless we own the problem of showing each division what’s in it for them, this collaboration gap will not close anytime soon.

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How Marketing Benefits:

Want to know what customers are saying? What they really want today or what they plan on purchasing tomorrow? You just have to ask them! Sure, marketing can buy research from one of the major research houses or commission a lengthy study but both methods take a lot of money and time. In a market that changes almost overnight, the true costs of missing a market opportunity are unrecoverable and those studies can be quite expensive too.

Alternatively, marketing can issue its own customer survey tool. But then there's the challenge of low response rates when busy customers resist filling out the more detailed and meaningful surveys.

So who talks to customers 24/7 already? Customer service. Sales talks to customers as well, but they aren't always listening as well as they could. They have quotas to hit and ninety days to do it in.

Marketing divisions that engage customer service in their product planning committee meetings receive invaluable insight into the issues their own customer face everyday, at near-zero cost. They also gain access to real-time customer feedback that can help them spot emerging market trends far ahead of the competition.

And the benefits to marketing don't stop there. When customers are asked for their feedback and believe they are actually being listened to, customer loyalty improves dramatically. Success here can be measured quantitatively by the number of repeat orders and referral business this type of campaign repeatedly delivers.

Give customer service the top three questions marketing wants to know from existing customers and watch the spike in repeat orders in the very next sales cycle.

How Sales Benefits:

Sales teams tend to realize better than most divisions the business value of collaborating with customer service. First, many companies count support and maintenance renewal revenues as commissionable events for their sales teams and very often it is customer service that gets existing customers to renew those contracts.

Another area where sales benefits from collaborating with customer service is in new product/service launches. In the race to innovate, many new products are launched into live customer environments before maturity. When new products/services get launched too early it creates what David Regler of Maine Associates calls "Live R&D".

Customer service is the first line of defense when a new product/service

launch goes awry. They do a phenomenal job of making sure the customer's business is not lost altogether from the experience. The analogy I've heard used in these situations is "It's like trying to repair a 220 volt line while electricity is still flowing through it."

They also play an invaluable role in collecting the necessary data that helps build the product/service into what customers really do want, keeping future revenue projections on track.

Finally, customer service is easily 50% of the "product" in every sale and the best sales teams all understand that. Most customers will accept a lower quality product if the reliability of the service is high.

How Finance Benefits:

The role of the CFO in today's economy has evolved far beyond that of month-end reports and number crunching. Today's CFO plays an increasingly integral role in business process innovation. When finance collaborates with customer service, operational inefficiencies are more easily identified since they experience in real-time the results of operational back-ups. Red lights on the switchboard represent customer demands that aren't being met.

Customer service teams collaborating with finance to make operational design improvements can directly contribute to bottom-line profits. They experience first hand both immediate problems as well as recurring issues and can make invaluable recommendations. When finance teams with customer service on building innovative new business models, problems can be turned into profits.

"Customer service is the single most important aspect of the sale. While a lot of non-operational people believe that the sale ends at the time of product delivery, it is the service that makes the product "sticky" and a sticky customer is an engaged customer. Don't forget your ongoing communications to this plethora of information; learn how to tap its resource and you will be on the road to a lot of repeat business." - Bob Darabant, V.P. Sales, Marketing & Product Mgmt Reflex Security

How Security Benefits:

Customer service plays a critical role in security today but unfortunately it is not as obvious as it needs to be. Companies spend millions of dollars on securing their IT networks with technology and specialized security staff. But that has only served to push hackers toward the path of least resistance – unaware employees. It's called social engineering and the goal is to dupe or trick well-intentioned employees into breaking the rules.

Social engineers consider customer service divisions prime targets as they are trained to satisfy the customer. But in this case, the "customer" is an impersonator, a social engineer.

In companies where security collaborates with customer service, it serves to build the most effective defense system against a social engineering-initiated exploit a company can have. Social engineers are very innovative and create new angles of deception every day. When customer service is made security-aware through effective training and collaborating with security, the social engineer will quickly move on to another company, the path of least resistance.

Additional benefits to a security-aware customer service division are that it helps create a sense of trust amongst that company's customers. Multiple well-publicized security breaches in the media have made customers very aware of identity theft.

Winning the race to innovate by closing the collaboration gap delivers many unexpected benefits to today's global corporations. Any CEO that truly wants to close that gap and experience near-term successes should start with ensuring each division collaborates with customer service – the benefits abound.

About Jackie Bassett.....

Jackie Bassett is CEO of BT Industrials Inc., a security-consulting firm. Bassett helps CEOs and chief security officers of global 500 companies integrate security into their business strategies and processes. Previously, Bassett worked for Netscreen Security and started her career in investment banking at State Street International. She is co-author with Dan Rothman of DISA, of an upcoming book "A Seat At The Table for CEOs and CSOs" She can be reached at: jackieb@btind.com

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