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SAPICS CONFERENCE

Century City Conference

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South Africa

**SAPICS**

PROFESSIONAL BODY FOR
**SUPPLY CHAIN
MANAGEMENT**

Moments of Reality and Continuous Improvement

Using **Moments of Reality & Continuous Improvement** to
improve **quality & retain** Supply Chain contracts

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Therefore STS, CEO



www.sapics.org

The Leading Event in Africa for Supply Chain Professionals

UNDERSTANDING MOMENTS OF REALITY

- Every time a customer interacts with you, they have an opportunity to evaluate your company and pass judgement.
- Over repeated interactions, customers form an opinion - either positive or negative.
- Longer time frame → more interactions → more entrenched opinion.
- Sustained negative opinion → customers take their business elsewhere.
- Negative Word of Mouth → erodes your customer base / profitability.
- Positive Word of Mouth → grows your customer base / profitability.

WHAT'S THE BIG DEAL?

- It costs a great deal more to establish a new customer relationship than it does to retain an existing one.
- One thing is certain, no customer relationship lasts forever!
- It is essential that we hang on to our customers for as long as possible!

IF YOUR BUSINESS WAS A HOUSE ...

- New customers come in the front door.
- Old customers leave via the back door!
- **We implement a Moments of Reality intervention and ...**

Delight! We begin to delight our customers. They stay longer!

A good time! Our customers are now having such a great time, they do more business with us!

Positive WOM They start telling their friends. A queue develops at the front door!

Growth! Customers are staying longer and we are signing new ones faster!

IN SHORT ...

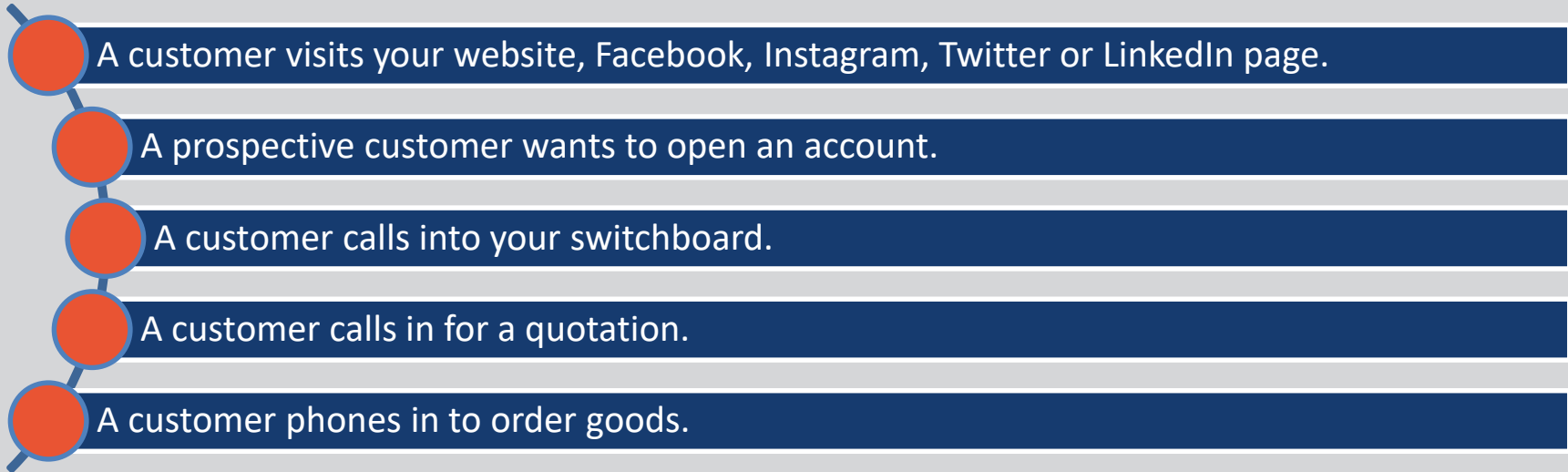
A Moments of Reality exercise will see us ...

- **retain our customers** for longer,
- will result in **increased sales** and
- **positive word of mouth**

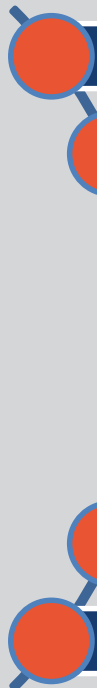
... making it **easier to attract new customers.**

TOUCH POINTS

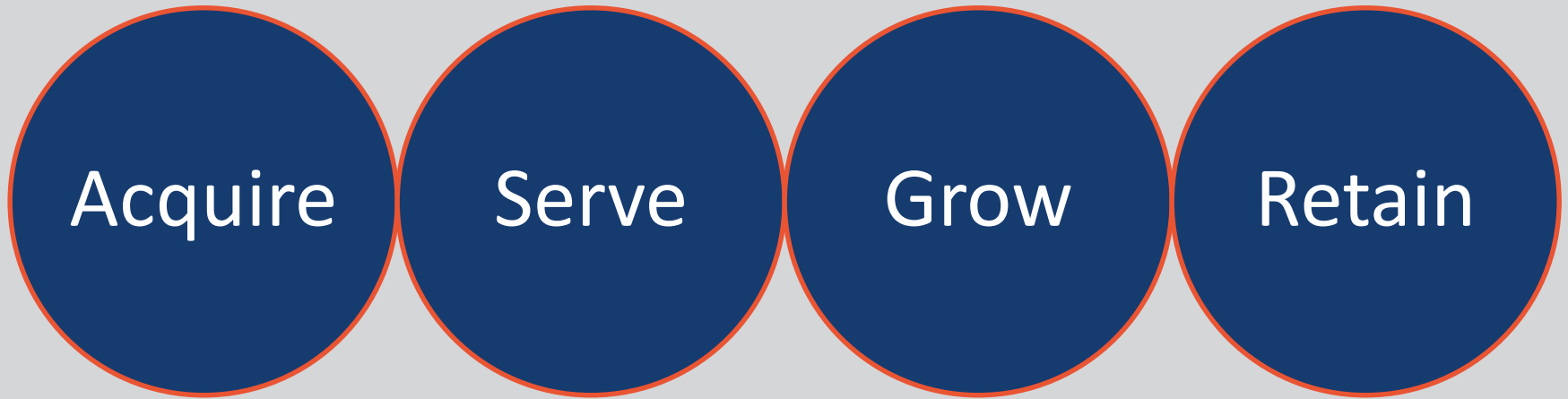
- A touch point is any point at which you interact with a customer.
- Customers have their “Moments of Reality” at touch points.



TOUCH POINTS

- 
- A customer takes delivery / unpacks your goods.
 - A customer signs your delivery note.
 - A customer receives your invoice / statement.
 - A customer phones in with a query.
 - A customer has quality problems with your goods.
 - A customer requires technical support.
 - A Sales Representative calls on a customer.

THE CUSTOMER LIFE CYCLE



EVALUATING PERFORMANCE

Perhaps the receipt of an invoice is a touch point ...

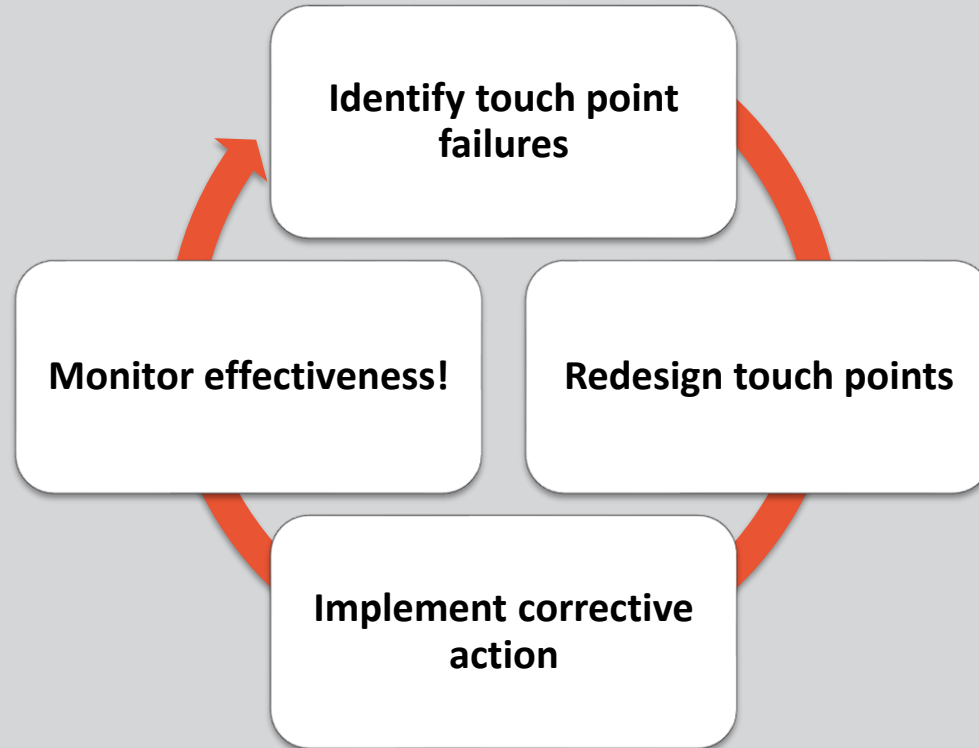
- Do your customers like your invoice?
- Is it easily read?
- Does it look professional?
- Is it accurate?
- Does it provide the required detail?
- Is it easily processed by the customer's Accounts Department?
- Is it received by the customer in good time?

EVALUATING PERFORMANCE

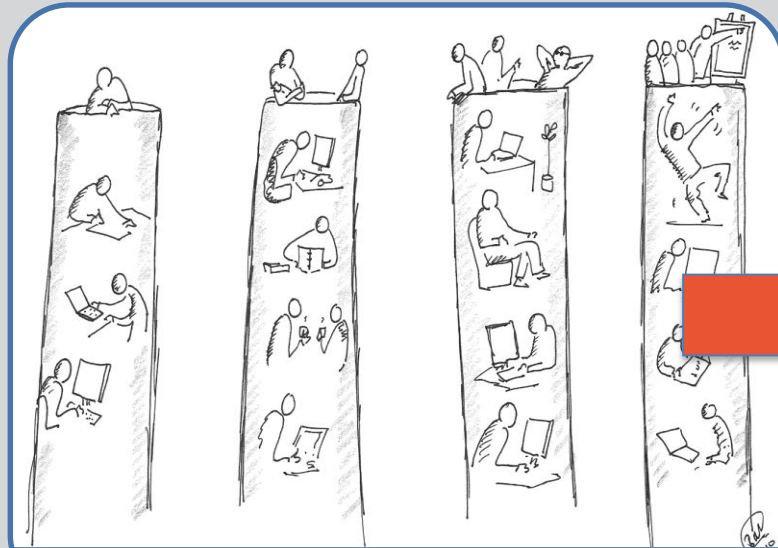
Perhaps your customers phone in to place orders ...

- Is the call answered within a reasonable time frame?
- Is the voice quality acceptable?
- Do you offer email / online ordering?
- Can your Call Centre give customers an order number immediately?
- How do you give customers that order via email their order number?
- Are your Call Centre Agents polite, accurate and quick?
- Do they have the required product knowledge?
- Are your Call Centre operating hours convenient for your customers?

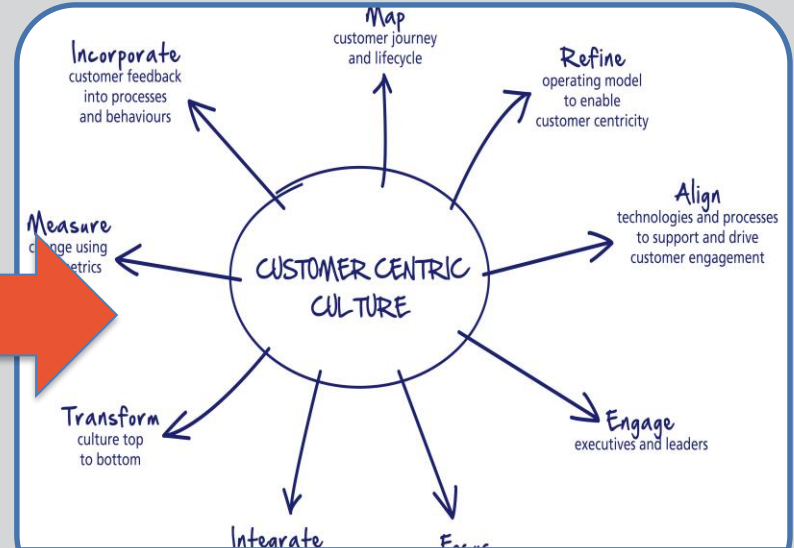
EVALUATING PERFORMANCE



PUTTING THE CUSTOMER CENTRE STAGE



Silo Mentality



Customer Centricity

ASK YOUR CUSTOMERS

**Customer
Visits**

Surveys

**Mystery
Shopping**

Queries

**Customer
Forum**

**Focus
Groups**

SANITY CHECKING



Have I **simplified** the process as much as possible?

Have I **cut out** as much **red tape** as possible?

Will it leave a **positive impression**?

Am I **minimizing** customer **inconvenience** / **maximizing** customer **value**?

Is it **customer centric**?

Is this what the customer **expects** from the touch point? Is it **intuitive**?

Is my touch point design **better** than that of my **competitors**?

DO YOU MAKE IT EASY?

The objective of a Moments of Reality exercise is to ensure that it is **easy** for customers to do business with you.

If your customers feel that they are having to jump through **unnecessary hoops** when doing business with you ... **they will go elsewhere!**

IT'S NOT A ONCE OFF EXERCISE ... IT'S A TIME GAME

- The competitive environment is continually shifting, as are the needs of your customers.
- Touch points should be continually tweaked. It's a cycle.
- Those negative impressions were reinforced over a long time frame!
- Your customer's mind-set shifts more slowly than you would hope for.
- A Moments of Reality strategy requires a long-term vision.

RULES OF ENGAGEMENT

- Do new customers find their first transaction difficult?
- We don't place enough emphasis on communicating RoE to our customers.
- Customers that know your RoE will find it easier to do business with you!
- In the Distribution space, about 50% of queries are a result of customer errors, a large portion of which happen because they don't know the RoE.
- Communicate RoE → fewer queries → reduced cost & happier customers!
- Onboard new customers so they know your RoE!
- If customers don't like your RoE, fix them ... the rules, not the customer!
- Processes and touch points must be continually revised / refined. RoE too!
- Communicating your RoE is not a once off exercise.

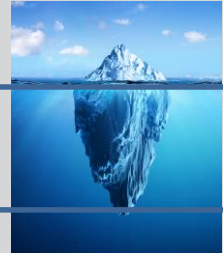
THE TIP OF THE ICEBERG

Touch points

... what the customer sees.

Business Process

... mostly unseen by the customer.



Customers don't see your entire business process. They see the portion that is exposed to them ... they see touch points.

Touch points result in Moments of Reality. Make them count!

Your RoE need to focus on your touch points.

PLACING BUSINESS PROCESS IN CONTEXT

- Businesses that perform their core business processes more effectively than their competitors prosper!
- A business' processes constitute its most valuable asset, as they embody all past learnings.
- Continuous Improvement requires that all service failures are recorded, resolved, analysed and that long term corrective action is undertaken.
- Those that don't embrace Continuous Improvement will eventually falter.
- If you revise a business process, revise the associated touch points.
- If you revise a touch point, revisit your RoE.
- Standard Operating Procedures should indicate where touch points occur and provide instruction aimed at resulting in positive Moments of Reality.

THE FEWER THE BETTER

- Your customers don't exist solely to interact with you.
- Your touch points need to be designed to ensure that your customers remain adequately informed, but don't swamp them with superfluous interaction.
- If a touch point doesn't add value, it goes.
- If you are struggling to get the balance right, ask your customer.
- Only collect information that you intend to use.

THE INTERNAL CUSTOMER

- You can perform a Moments of Reality exercise on **any** stakeholder.
- Moments of Reality can also unlock value **within** your organisation.
 - Departments, such as IT and HR, are often seen as “land locked”, because they don’t interact directly with the external customer. Still, they play a critical “supporting role” in enabling the delivery of service to the customer.
 - Optimising interdepartmental touch points can help to break “departmental silos” / enhance efficiency.
 - Sensitising “land locked” departments to the fact that they too have customers, albeit internal ones, sends an important cultural message.

CRITICAL SUCCESS FACTORS

**Treat it as a
*project***

**Have a committed
*sponsor***

Communication

IN CLOSING

Great customer service is an intangible concept, which makes it notoriously difficult to implement.

Moments of Reality is ...

- a Customer Services intervention.
- a framework that makes a customer service strategy ...
 - tangible and
 - provides a concrete task level plan for success.

Great customer service is the MOST defensible competitive advantage and it places the customer exactly where they should be, centre stage.

KEEP IN TOUCH!

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