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By Dr Graeme Codrington

Who you are, not what you sell

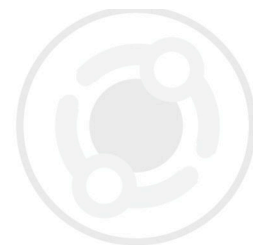
Why is who you are becoming more important than what you sell?

Article at a glance

We all know that change is now a constant reality. But, less obvious, is the fact that the daily changes we encounter are merely symptoms of an irreversible, radical transformation of our society. As we chart a course into the 21st century, we discover that consumers are no longer simply passive recipients of our products. They're involved, knowledgeable, powerful and discerning. And that changes everything.

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The surplus society has a surplus of similar companies, employing similar people, with similar educational backgrounds, coming up with similar ideas, producing similar things, with similar prices and similar quality.

*Kjell Nordström and
Jonas Ridderstråle,
Funky Business*

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The Digital Revolution?

In virtually every industry today, we're generating more products and services than at any point in history, delivering better quality through an ever-growing number of channels, at prices that constantly put pressure on our margins and profitability. At the same time, mobile phones, websites, and a proliferation of media sources all combine to give consumers increased access to more information, at greater speed and lower cost than ever before. There are two major implications of these shifts: (1) there are less and less ways by which competitors can differentiate themselves, as they sell similar products at similar prices in similar ways; and (2) detailed comparisons between competitors are easily achieved and are now a matter of course for consumers.

Gaining and sustaining a competitive advantage has never been more difficult than it is now. Worse still, this new digital era has not resulted in better consumer experiences. No-one really has the time or inclination to sort through and evaluate all the different options available. And fine print proliferates. Caveat Emptor. Let the buyer beware. In law, and in reality, this sums up the current state of the relationship that consumers feel they have with companies.

The burden of proof, so to speak, rests with the consumer. Basically, the relationship between supplier and customer is an adversarial one. The consumer does not believe that the company has its best interests at heart and the relationship is based on mistrust and suspicion. This is currently more true in financial services than in most other industries.

Customer Services

We can add to this litany of woe, the state of customer service. In most service industries, it's at an all-time low. To cite just one example, Charles Schwab is a US-based stock brokerage, most famous for being the first to use the power of the Internet to get their customers online, manage their own decisions, and do their own trading. At the start of the digital age, in the mid 1990s, Charles Schwab had 1,450 customer-service representatives in call centres, and about 85% of their time was spent providing real-time stock quotations, company information and executing trades. By 2001, Charles Schwab's customers were doing 81% of those tasks on their own, with no human assistance required. Yet, Charles Schwab's call



The sun is setting on the Information Society even before we have fully adjusted to its demands as individuals and as companies. We have lived as hunters and as farmers, we have worked in factories and now we live in an information-based society whose icon is the computer. We stand facing the fifth kind of society: the Dream Society. ... Future products will have to appeal to our hearts, not to our heads. Now is the time to add emotional value to products and services.

Rolf Jensen, The Dream Society: How the Coming Shift from Information to Imagination Will Transform Your Business

centre staff count had ballooned to 4,800 people.

By the time most people phone a call centre help desk these days, things are either completely messed up, or the customer is seriously angry and wants to share that anger with a real person. Or both. But, when they finally get through the myriad electronic options, having been on hold for too long and probably had the call dropped, they discover some outsourced young student who is incentivised to finish the call within 18 seconds, has no power to assist them at all (if they even know what's wrong anyway) and really doesn't seem to give a damn. (Oh, and if you're experiencing higher than usual call volumes, why are you not experiencing higher than usual staffing volumes at the same time? How difficult would that be?)

Towards Some Solutions

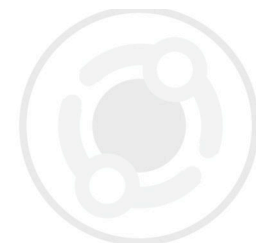
Of course, as you read this, you will be convinced that I could not be talking about your company. But, assuming that one day you might work for your competitors, here are a few suggestions for starting to turn the situation around.

Who you are is who you hire in a world where it is increasingly difficult to differentiate yourself from your competitors based on what you sell, the key to a sustainable competitive advantage lies in who you are and how you sell. And this relates directly to your ability to attract and retain the most talented people in your industry, and get more out of them than anyone else could. This puts the issue of talent development firmly at the top of the most strategic imperatives companies must deal with at present. The fact that the current crop of young talent comes from a new generation, with different values, motivators and work ethic further complicates this strategic issue.

Get customer service right. Whatever product you think you're offering the market, what you're actually selling is customer service. Time-starved consumers are prepared to pay others to manage the cacophony of choices available to them. To work effectively, though, this requires a level of trust between an individual consumer and a company and its representatives (or intermediaries). Consumers have changed - from isolated to connected, from unaware to informed, and from passive to active.

Web 2.0 get customers involved. Customers are no longer satisfied to simply get information from your digital face (websites, call centres, etc). They want to interact. They want access to a blog where they can post comments; when phoning your helpline, they want to speak to someone who has the ability to actually assist them rather than just read a computer-generated script; they want to be connected to you, not just purchase from you. One of the secrets of future success is your ability to co-create value with your customers, at last delivering on the digital age promise of real mass customization.

The triple bottom line (and more). In this new connected economy,



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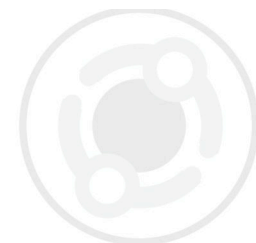
you have to care about what people care about. That is why there has been a dramatic increase in the demand for companies to be concerned about everything from the rights of their workers to environmental and community issues. If your customers are concerned about saving the planet, then they expect you to be concerned about saving the planet.

Cut the fat, not the muscle

The past decade or so has seen a massive emphasis on cutting out corporate fat. The danger always is that you cut some muscle away at the same time. There can very little doubt that this has happened, and in service industries especially, were starting to reap that whirlwind.

The companies that will survive are not those who come out with innovative products (you can always copy clever ideas), or who provide the cheapest service (cheap is often found out to be nasty). Successful companies will be those that truly understand that these days sustainable success is less and less about *what* you sell, and more and more about *who* you are. That demands a radical shift in emphasis and culture in most companies.

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