

Today's dynamic of economic uncertainty further impels companies to continually adjust their compensation strategies to reward productivity and control costs. In an effort to better align employee behavior with corporate objectives, companies increasingly implement policies that tie a portion of their employees' compensation to performance. This "pay-for-performance" compensation model is not new for customer-facing employees in sales and customer service. However, corporate executives now see this compensation model as a highly effective means to reward *all* employees based on their ability to meet customer needs.



Recognizing that overall customer satisfaction relies on the performance of multiple departments across an organization, companies identify the customer "touch-points" (i.e., points at which employees, products or services have direct interaction with the customer) to establish benchmarks and metrics that specifically assess employee performance in the context of the customer.

Gantry Group's *Customer-Centric Compensation™ (C³)* program ensures your company will objectively assess customer satisfaction throughout your offering's entire lifecycle to generate performance metrics that can be directly tied to the specific groups that influence them. Eradicating the perception that customer-centric compensation programs are expensive to implement and tricky to execute, Gantry's proven outsourced program is affordable and quick to deploy.

Defining Customer Satisfaction

Customer satisfaction is a key business performance indicator. When customers purchase your offering, they also make an implicit decision to interact with your personnel, account managers, accounts receivable staff, customer service staff and many more. The measurement of customer satisfaction is therefore an aggregate of how multiple groups within each customer company believes you have performed at the *touch-points* that are relevant to each of them. Every business must objectively judge how well it is meeting customer's expectations during every interaction with the customer. While a customer may be viewed as a single entity by your finance department, a customer is in reality a team of designated individuals, each of which has different types of interactions with different individuals within your company. The complete set of customer touch points must be optimized for the customer to conclude that it is having a positive experience with your company. Whether your company offers a technology solution or a service that depends upon a technology infrastructure, many of the following customer touch-points will prove to be relevant.

Direct Sales/Account Management – New sale/ renewal is presented and sold to customer.

Typical Customer Challenges:

- Customer has difficulty extracting necessary information to make a decision
- Sales staff is not responsive to customer's requests during sales process
- Sales staff incorrectly sets expectations about offering's capabilities, performance and/or business impact

Marketing & Strategy – Marketing communicates the offering's current & future capabilities to facilitate customer's decision-support process.

Typical Customer Challenges:

- Marketing materials don't clearly present the facts to support an investment decision
- Marketing materials inaccurately present the capabilities of the offering
- Strategic plan incorrectly set expectations about future offering capabilities

Contract Management – Offering and payment terms are negotiated with customer.

Typical Customer Challenges:

- Customer feels contract process is arduous and complex
- Customer feels company is inflexible and difficult to do business with

Accounting/Billing – Ongoing execution of agreed financial terms with customer.

Typical Customer Challenges:

- Misunderstanding of business/financial terms
- Frequent billing errors
- Unresponsive A/R

Training – Customer's designated workforce must become familiar with the offering in order to actively and successfully use it.

Typical Customer Challenges:

- Customer is not informed of documentation/training options available
- Documentation and/or training materials are incomplete or poorly done
- Training is not available at necessary frequency/geographies

Outsourced Service Delivery – Service replaces customer's internal business process, implemented as a mix of personnel, processes and/or technology infrastructure.

Typical Customer Challenges:

- Service performs inefficiently, inconsistently and/or unreliably
- Service doesn't perform seamlessly with other customer business processes/systems
- Service personnel are insufficiently knowledgeable about the customer's business needs & the service that it delivers

Customer Service – Customer requires assistance to expedite and resolve issues related to solution order problems, payment, refunds/returns, component replacement, and delivery status.

Typical Customer Challenges:

- Poor responsiveness (no call back, long hold times, too many call transfers)
- Lacks appropriate knowledge & listening skills to understand issues and resolve them
- Fails to set clear problem resolution expectations and resolution follow-up

Field Service – Provides services to maintain and repair equipment at the customer's location.

Typical Customer Challenges:

- Not responsive to fulfilling service requests according to customer's urgency of need
- Field technicians fail to show up for scheduled service calls on time
- Field technicians lack knowledge and tools to expeditiously fulfill service need

Measuring Customer Satisfaction

The key to meaningful customer satisfaction studies that yield real diagnostic value is to identify the critical metrics for each customer touch-point. Having a single customer satisfaction score with no insight into individual metric performance impairs a company's ability to pinpoint problems. Approaching customer satisfaction as a composite whole may be a high level indicator of customer satisfaction overall, but it is the granularity of the underlying metrics that reveals "why" and specifically "where" your organization may need to improve. Your customers are the best source to isolate which customer satisfaction metrics are most applicable to your company.

Achieving Employee Buy-in

Customer-centric compensation programs are most effective when your employees believe that the customer survey and the measured metrics are realistic and credible. Your employees must believe that they can be successful in affecting change on the metrics within their particular sphere of operational and organizational control. This is best achieved when each organizational group's compensation plan links only to those customer touch-points and metrics that it realistically can impact. By soliciting feedback from each customer stakeholder involved at each customer touch-point, defined performance metrics that govern customer satisfaction at each touch-point can

be quantified. This technique creates a meaningful closed-loop feedback system between each group within your company and the customer groups with which they routinely interact.

Aligning Customer Satisfaction to Your Organization

Gantry can develop a tailored C³ program that quantifies and trends customer satisfaction metrics for each touch-point at your desired testing frequency. Applying our comprehensive suite of customizable customer touch-point components and online survey services, Gantry can provide customer satisfaction scorecards that you can link to organizational performance and compensation. Using the first study as an organizational baseline for customer satisfaction, subsequent study metric data will be progressively accumulated, compared and trended against this baseline. The following 6 step process assures comprehensive, accurate customer satisfaction metric data to your company's strategic and compensation planning activities.

1. Gantry facilitates discovery sessions that detail your organizational structure, enterprise-wide customer touch-points, the groups within your organization involved at each touch-point, and the metric set that comprise your standardized customer satisfaction scorecard. Appropriate customer performance metrics are aligned to each group within your organization to direct performance-based compensation.
2. Customizing our customer touch-point survey components, Gantry creates a standardized, online customer satisfaction survey designed to comprehensively test all your customer touch-points with all your customers' stakeholders.
3. Working with your staff, Gantry creates a secure, confidential database of your customers with names, titles and email addresses. This database is routinely managed and updated by Gantry. This database drives the email campaigns that invite your customers to participate in the customer satisfaction study. The email invitation includes a direct link to the online customer satisfaction survey. As an alternative, Gantry can provide the study invitation for your staff to administer these email campaigns to avoid releasing your customer list outside of your premise.
4. Gantry manages the online study to achieve a statistically valid sample from your customer base for each defined customer touch-point.
5. Study data is analyzed and graphically presented in a report, along with a completed customer satisfaction scorecard. The first study establishes your baseline customer satisfaction metrics. Subsequent studies are trended against this baseline to measure the impact of organizational performance changes since the C³ program was initiated.
6. The calculated change in assigned customer satisfaction metrics over the measured period directs employee rewards based on their performance. Using a consistent study instrument and data collection approach, this process may be cost-effectively repeated quarterly, semiannually or annually.

To learn more about Gantry Group's Customer-Centric Compensation program or to schedule a demonstration of a sample customer satisfaction study, please call 978-371-5557.