

OBSERVATIONS

TECHNOLOGY & Customer-Centricity

The right IT is key to delighting best customers



A MAJOR CHALLENGE facing IT managers is how to support customer-centricity. More than a managerial buzzword, customer-centricity is a strategic commitment to focus every resource in the firm on serving and delighting profitable customers. It

often involves producing new or improved products with evolving marketing methods focused on core, sometimes changing market targets. The right IT platform is a prerequisite for customer-centricity.

The role of IT in becoming customer-centric is vividly illustrated at

Amazon.com whose mission, in 1995, was to be "the earth's biggest bookstore." Today, Amazon's mission is to be "the earth's most customer-centric organization." CEO Jeff Bezos explained at Amazon's shareholder meeting that customer-centricity involves "starting with the

mind of customer and working backward in the supply chain."

Obsession with consumers has created a future for Amazon that is more profitably tied to its role as a B2B services provider, I believe, than as a retailer. This illustrates how customer-centricity can cause a firm to refocus both its markets and products facilitated by technology.

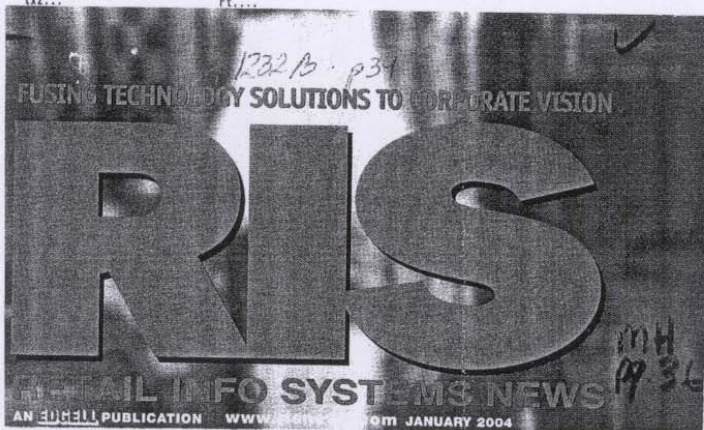
By Roger Blackwell, Ph.D., Featured Columnist

RIS RETAIL INFO SYSTEMS
NEWS

RANDOLPH, NJ
MONTHLY
JANUARY 2004



Burrelles
INFORMATION SERVICES



What Does it Mean

"What does it mean to be a customer-focused organization?" was the topic of a recent Thought Leadership Summit sponsored by the Center for Digital Strategies of The Tuck School of Business and Cisco Inc. I came away with several conclusions about IT and customer-centricity.

Shared vision and values. The essence of customer-centricity is not CRM software. It is a vision, a set of values and a belief that the future of the firm is embedded in the minds of consumers. If senior management is not obsessive about delighting customers, don't expect much from the phrase "customer-centricity."

Cross-functional integration. Customer-centricity is achieved by marketing and sales, customer call centers and CRM software linked closely to production, HR and finance. Providing information about all functions to all functional areas of the organization all the time is a major challenge for IT.

System-wide simultaneous training. In small organizations, this requires major allocations of face-to-face training and personal interaction in meetings of all the members of the firm from front-line sales people and truck drivers up to the CEO. In large organizations, it means total organizational meetings, on a global basis, probably delivered by satellite, Internet or technologies. That catapults IT to the forefront of the HR role in customer-centricity.

Customer-based metrics. Progress toward customer-centricity requires changing from metrics based on product line, geographic division or business units to metrics based on core customers and segments. Retailers need to change from tracking comp-store sales to comp-customer sales.

Customer-centricity breaks down silos in organizations, focusing everyone on core customers. That requires IT that supports everyone, delivered in formats understood and easily used by everyone in the organization. **RIS**

Roger Blackwell is Professor of Marketing and Logistics in the Fisher College of Business at The Ohio State University. He is the co-author of over 20 books including *Brands That Rock: What Business Leaders Can Learn from Rock and Roll*, (Wiley, 2003). Roger can be reached at www.rogerblackwell.com.