

## Key Success Factors for Customer Focus

### Introduction

DALBAR has determined that five elements are of critical importance for organizations to be successful at a customer focused strategy. This is based on working with large and small financial services institutions.

Each of the five key success factors interrelate to form the framework for success. The quality and effectiveness of their implementation determine the outcome.

While many obstacles to high quality customer relationships may be evident, they can usually be associated with one or more of the key success factors. The most successful approach to building or maintaining a customer focused organization is to first apply the key success factors to the specific organization.

### The Factors

#### ***Resolve***

Resolve exists when there is an institutional commitment to the importance of the customer. This translates into a top-down recognition and support for customer focus

This orientation redefines the organization:

- Changing corporate priorities
- Changing corporate culture
- Changing corporate structure
- Delivering value to customers drive every decision

Central to resolve is the organization structure that gives recognition to the staff that has contact with customers.

#### ***Objective***

The objective must be defined in a way that its accomplishment is discernable and can reasonably be accomplished. It should be simple and easily articulated. The objective can change over time, but it should be applied to the entire organization.

The objective is useful only when it is communicated to the entire organization. This communication needs to be done at regular intervals and through as many media as possible: in-person, on paper, e-mails, posters and other inter company communications.

### ***Resources***

Adequate resources must be provided to meet the objective that is established. Resources include staff, infrastructure, technology and training. Prompt action is also a critical factor in supplying resources.

It is important to recognize that existing investment may have to be written off and that there is an on-going need for investment. The on-going investment includes the cost of detecting the need to upgrade as well as the cost of upgrading the resources.

### ***Measurement***

Measurement systems are required to monitor progress toward the objective. changes in institutional structure and priorities that occur.

These measurement systems must evaluate performance from the customer perspective. Measurements must evaluate the actions that affect customers to determine their adequacy. Additionally, the reaction of customers should be measured to ensure that the desired effect is achieved.

### ***Incentive***

Rewards are a critical factor in achieving the desired behavior in the organization. While inspirational speeches (reflecting resolve and objective) are important, the reward system must be properly aligned to maintain the long-term focus.

Incentives should include both recognition and compensation.

## **Conclusion**

Organizations with a customer focus should periodically re-evaluate their activities based on these key success factors. A formal review is beneficial to capture the changes in institutional structure and priorities that occur.