

Customer-Focused Organizations Preliminary Results

Member-driven benchmarking reports



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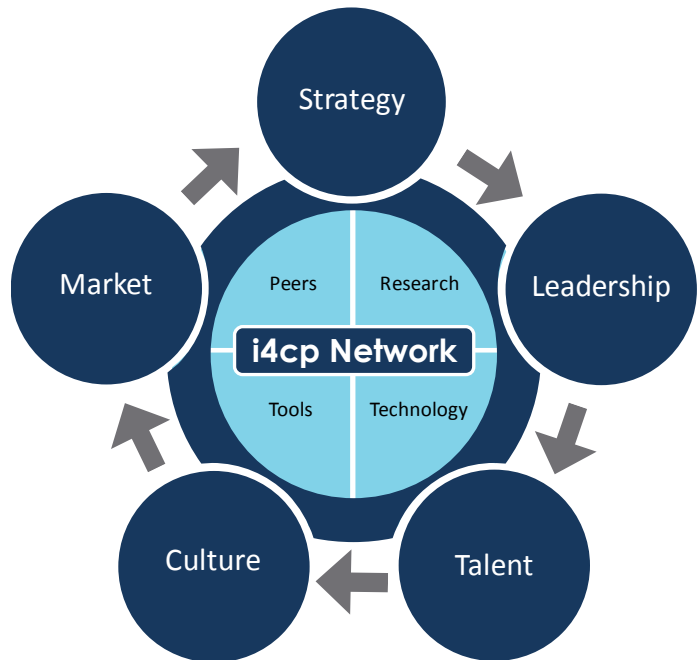
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i4cp is the world's largest vendor-free network of corporations focused on building and sustaining highly productive, high-performance organizations. Through a combination of peer networking, human capital research, tools and technology, we enable high performance by:

- Revealing what high-performance organizations are doing differently
- Identifying best and next practices for all levels of management
- Providing the resources to show how workforce improvements have bottom-line impact

Over the last 40 years, i4cp research has revealed the five key human capital domains that companies leverage to drive performance. Our members - many of the largest and most respected companies in the world across a wide spectrum of industries - use this research, i4cp's expertise, tools, technology and vast network of peers to improve productivity and drive business results.



About this report

This report provides preliminary results from our recent study. More complete results, including charts, market performance breakdown and other analysis, are made available exclusively to i4cp corporate members.

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Survey Responses

In your current role, do you have regular contact with the organization's external customers?

Answers	All Respondents
Yes	51.1%
No	48.9%

n=607

To what extent do you agree with the following statements?

Answers	Not at all	Small extent	Moderate extent	High extent	Very high extent
Our middle managers behave in ways that successfully execute our customer focus strategy	0.8%	11.0%	39.7%	37.9%	10.5%
Our executives behave in ways that successfully execute our customer-focus strategy	1.6%	8.7%	30.0%	41.2%	18.5%
People in our organization understand how our customer focus strategy affects their individual roles.	2.6%	19.9%	30.8%	32.0%	14.7%
I think about how my work can help improve the customer experience on a regular basis.	0.3%	5.4%	19.8%	44.3%	30.1%

n=607

To what extent does your organization do the following?

Answers	Not at all	Small extent	Moderate extent	High extent	Very high extent
Keeps promises to customers	0.4%	2.4%	21.6%	52.4%	23.1%
Keeps promises to employees	1.9%	8.5%	35.2%	39.5%	15.0%
Tries to emotionally connect with customers	2.4%	12.8%	32.0%	35.3%	17.5%
Exists primarily to serve customers	1.7%	5.5%	22.0%	38.5%	32.3%
Is more customer-focused than our competitors	3.9%	10.7%	26.3%	35.5%	23.5%
Is driven primarily by customer satisfaction levels	3.0%	14.8%	29.7%	34.4%	18.0%
Knows our customers well	2.6%	6.6%	27.6%	41.4%	21.8%
Believes that our products/ services are the best in the industry	0.9%	4.1%	20.1%	37.4%	37.4%
Mainly competes by having the lowest prices	35.9%	25.2%	26.9%	7.7%	4.3%
Offers superior service	1.7%	7.3%	24.1%	39.8%	27.1%
Excels at after-the-sale service	5.1%	13.7%	29.7%	34.4%	17.1%

n=532

To what extent does your organization take the following strategic actions focused on COMMUNICATION?

Answers	Not at all	Small extent	Moderate extent	High extent	Very high extent
Clearly defining a customer value proposition	3.2%	13.5%	31.8%	38.5%	13.0%
Communicating the customer value proposition throughout the organization	4.5%	15.8%	33.5%	32.7%	13.5%
Using client forums, focus groups, and other customer feedback systems	9.4%	21.8%	31.2%	26.1%	11.5%
Regularly contacting key customers and asking about needs	4.7%	15.8%	28.9%	32.9%	17.7%
Surveying end-users at least annually to assess the quality of our products and services	9.0%	20.3%	22.2%	29.5%	19.0%
Using social media (such as Twitter, Facebook, etc.) to communicate regularly with customers	41.5%	25.6%	16.7%	11.7%	4.5%
Making customer/market research available throughout the organization	17.1%	28.2%	28.2%	18.6%	7.9%
Communicating across all business functions what our competitors are doing	18.2%	33.3%	27.4%	16.9%	4.1%
Regularly distributing customer satisfaction data throughout the organization	18.0%	22.7%	26.5%	23.1%	9.6%
Having an internal communication plan in place to ensure that customer insights are understood by everyone in the organization	17.5%	27.8%	25.0%	23.3%	6.4%
Reinforcing customer awareness and respect throughout all levels of the organization	6.0%	20.3%	30.3%	29.1%	14.3%

n=532

To what extent does your organization take the following strategic actions focused on ENVIRONMENT and/or CULTURE?

Answers	Not at all	Small extent	Moderate extent	High extent	Very high extent
Treating employees as customers	12.0%	25.5%	32.0%	20.8%	9.6%
Empowering employees to solve customer problems	3.1%	15.1%	33.1%	34.9%	13.9%
Including customers in our corporate value statement	3.3%	10.4%	21.8%	35.9%	28.6%
Creating a customer-oriented culture	1.6%	12.7%	28.0%	36.9%	20.8%
Having top management's support for creating a customer-oriented culture	2.4%	10.8%	22.4%	34.9%	29.4%
Having leaders set the example with customer-focused behaviors	3.3%	13.9%	25.9%	34.5%	22.4%
Creating excitement among employees for our products and services	5.5%	19.8%	33.3%	28.4%	13.1%

n=490

To what extent does your organization take the following strategic actions focused on HR PRACTICES?

Answers	Not at all	Small extent	Moderate extent	High extent	Very high extent
Providing customer-oriented employee training	11.6%	23.3%	30.2%	25.3%	9.6%
Leveraging workforce diversity to better understand customer needs	11.8%	27.6%	30.4%	21.2%	9.0%
Rewarding employees for desired customer-focused behaviors	9.4%	25.9%	31.0%	23.3%	10.4%
Linking all employee evaluations to customer focus measures	15.9%	30.4%	24.7%	20.8%	8.2%
Basing personal development plans in part on customer insights/feedback	19.0%	31.8%	26.5%	16.5%	6.1%
Hiring customer-oriented employees	6.5%	17.3%	29.6%	33.7%	12.9%

Answers	Not at all	Small extent	Moderate extent	High extent	Very high extent
Using psychological assessments when hiring employees for customer contact positions	46.9%	19.6%	15.3%	11.0%	7.1%
Rewarding employees for resolving customer issues	13.7%	29.8%	29.8%	19.4%	7.3%
Expecting employees to anticipate customer needs	5.7%	15.5%	31.2%	34.9%	12.7%
Making customer focus a criterion for advancement	15.7%	23.1%	30.0%	21.8%	9.4%

n=490

To what extent does your organization take the following strategic actions focused on MARKET and/or PRODUCT PRACTICES?

Answers	Not at all	Small extent	Moderate extent	High extent	Very high extent
Developing products and services based on market and customer information	5.1%	11.1%	27.8%	38.9%	17.1%
Creating competitive advantage by understanding customers' needs	3.9%	13.2%	26.9%	35.9%	20.1%
Offering various levels of service by value of customer	10.4%	19.0%	30.1%	30.3%	10.2%
Involving customers in the design process for new products/services	14.6%	22.2%	28.2%	25.0%	10.0%
Responding to demands for customization/personalization	7.6%	18.5%	26.6%	31.5%	15.7%
Using customer needs to drive innovation	4.2%	17.8%	28.0%	33.1%	16.9%
Responding rapidly to competitor actions	10.2%	25.2%	30.3%	24.1%	10.2%
Maintaining customer focus at all customer touch points, not just sales and customer service	7.2%	22.0%	30.1%	26.2%	14.6%
Resolving customer complaints quickly	2.1%	11.1%	26.6%	40.5%	19.7%

n=432

To what extent does your organization take the following strategic actions focused on ORGANIZATIONAL PRACTICES?

Answers	Not at all	Small extent	Moderate extent	High extent	Very high extent
Outsourcing customer service functions	58.6%	21.3%	12.5%	5.6%	2.1%
Using customer self-service technologies	22.7%	31.0%	25.9%	16.9%	3.5%
Using technology (CRM software) to manage customer relationships	26.9%	20.6%	26.2%	19.9%	6.5%
Aligning internal systems/processes with customer needs	8.6%	21.1%	34.3%	28.2%	7.9%
Having a formal strategy to develop and maintain a customer focus	10.4%	21.5%	29.6%	26.4%	12.0%
Including customer focus on organizational scorecards	17.8%	20.6%	22.2%	26.6%	12.7%
Holding a corporate officer responsible for the customer experience	25.2%	19.9%	21.1%	20.1%	13.7%
Having top management visit customer sites	10.9%	15.5%	26.6%	23.8%	23.1%
Using cross-functional teams for product design	13.0%	24.1%	26.4%	24.1%	12.5%
Requiring employees to train across departments	22.2%	31.9%	27.5%	11.8%	6.5%
Setting clear customer satisfaction goals	9.7%	18.8%	28.9%	24.3%	18.3%

n=432

In your current role, do you have regular contact with the sales, marketing or customer service department regarding customer needs?

Answers	All Respondents
Yes	67.3%
No	32.7%

n=416

To what extent does your organization use the following metrics to gauge the impact of customer-facing programs?

Answers	Not at all	Small extent	Moderate extent	High extent	Very high extent
Customer loyalty	10.1%	17.5%	24.0%	33.2%	15.1%
Customer referrals	14.4%	22.1%	26.4%	25.7%	11.3%
Customer service activities	9.6%	18.5%	30.5%	30.0%	11.3%
Customer satisfaction	4.1%	11.8%	22.1%	38.7%	23.3%
Customer feedback	3.6%	10.1%	24.5%	38.0%	23.8%
Customer engagement	9.1%	14.7%	32.7%	28.6%	14.9%
Level of commitment to serving customer needs	8.4%	18.8%	31.0%	27.6%	14.2%
Speed to market with new products	20.2%	25.7%	29.6%	17.1%	7.5%
Spending on marketing	19.5%	28.1%	26.9%	19.0%	6.5%
Market share	15.9%	16.6%	26.2%	30.3%	11.1%
Revenues	9.6%	9.4%	22.8%	36.8%	21.4%
Profitability	8.9%	10.3%	22.4%	38.0%	20.4%
Correlations between customer satisfaction and financial results	13.9%	20.9%	30.3%	24.5%	10.3%
Employee satisfaction	13.5%	27.4%	25.2%	22.8%	11.1%
Employee retention	13.9%	26.9%	23.8%	24.5%	10.8%

n=416

In your organization, which person or group is primarily responsible for ensuring that the organization is focused on customers?

Answers	All Respondents
CEO	10.5%
Entire executive team	40.8%
VP of Sales	3.7%
VP of Marketing	3.2%
Other designated individual at the officer level	3.4%
Customer service department	5.1%
All managers	14.2%
No one individual/group is vested with responsibility	14.2%
Other (please specify)	4.9%

n=409

Comments:

- Entire Global Organization is responsible for customer focused initiatives
- Controller
- Program Manager
- Everyone (6 responses)
- VP of HR
- VP Public Affairs
- Customer experience manger
- VP of Sales Excellance
- Quality
- Program director
- Clinic Director, Practice Manager
- Executive Director
- President,COO
- Program Dept.
- Client Relations Team

To what extent do the following factors drive your company to be customer focused?

Answers	Not at all	Small extent	Moderate extent	High extent	Very high extent
Competitive pressures	6.8%	11.0%	26.2%	35.7%	20.3%
Technological changes	8.3%	17.6%	34.5%	29.1%	10.5%
Economic downturn	11.0%	16.6%	24.9%	32.8%	14.7%
Pace of change	7.3%	17.4%	36.4%	28.9%	10.0%
Changing customer demographics	9.8%	21.3%	34.5%	26.7%	7.8%
Environmental issues	19.8%	30.6%	25.2%	18.1%	6.4%
Availability of talent/skills	12.7%	25.4%	31.5%	22.5%	7.8%
Investor influences	35.0%	21.8%	23.7%	13.2%	6.4%
Legal/regulatory requirements	16.6%	24.2%	27.1%	19.3%	12.7%
Corporate brand/image	4.9%	12.2%	23.2%	36.9%	22.7%
Customers opinions and knowledge	3.4%	11.7%	24.9%	39.4%	20.5%
Social issues	18.6%	27.6%	31.1%	16.4%	6.4%
Need to be innovative	8.6%	17.8%	29.1%	27.9%	16.6%
Our corporate heritage	8.8%	12.5%	24.2%	28.9%	25.7%
Demands of end-users	5.9%	10.8%	25.9%	35.7%	21.8%
Corporate mandate	10.0%	16.6%	29.8%	29.1%	14.4%
Customer leverage	9.5%	15.9%	34.0%	28.6%	12.0%
Desire for financial growth	6.1%	7.3%	16.9%	37.4%	32.3%

n=409

Demographics

Primary industry

Answers	All Respondents
Aerospace & Defense	2.0%
Agriculture	0.5%
Automotive & Transport	0.8%
Banking	1.6%
Beverages	0.2%
Business Services	9.2%
Charitable Organizations	2.1%
Chemicals	1.0%
Computer Hardware	1.0%
Computer Services	2.5%
Computer Software	2.3%
Construction	2.0%
Consumer Products Manufacturers	2.6%
Consumer Services	0.8%
Cultural Institutions	0.5%
Education	6.3%
Electronics	1.3%
Energy & Utilities	3.0%
Environmental Services & Equipment	0.5%
Financial Services	6.1%
Food	3.1%
Government	5.3%
Health Care	8.6%
Industrial Manufacturing	4.6%
Insurance	5.1%
Leisure	0.3%
Media	1.0%
Membership Organizations	1.5%
Metals & Mining	0.3%
Other	11.4%

n=607

Size of workforce throughout the world

Answers	All Respondents
1 - 24 employees	9.6%
25 - 49 employees	4.3%
50 - 99 employees	6.6%
100 - 249 employees	8.7%
250 - 499 employees	8.6%
500 - 999 employees	8.2%
1,000 - 4,999 employees	20.8%
5,000 - 9,999 employees	7.6%
10,000 - 19,999 employees	6.1%
20,000 - 49,999 employees	8.4%
50,000 - 99,999 employees	3.1%
More than 100,000 employees	8.1%

n=607

Geographic structure

Answers	All Respondents
Global (high level of global integration)	29.2%
Multinational (national / regional operations act independently)	21.1%
National (operations in one country only)	49.8%

n=607

Job level

Answers	All Respondents
Board Member / Chairperson	0.3%
CEO / President	5.1%
Partner / Owner	3.5%
C-level executive	2.6%
EVP / SVP	3.1%
VP	7.2%
Director	23.7%

Answers	All Respondents
Manager	41.0%
Supervisor	3.1%
Individual Contributor	6.4%
Other	3.8%

n=607

Department/function

Answers	All Respondents
Accounting / Finance	4.6%
Administrative	2.8%
Consulting / Advisory	4.1%
Creative Services	0.3%
Customer Service / Account Management	6.8%
Engineering	2.6%
Executive / Owner	4.1%
Facilities Management	0.7%
General Management	3.3%
Human Resources	24.7%
Information Technology	5.3%
Legal	0.3%
Market Research	1.2%
Marketing / Advertising	4.0%
Operations / Production	6.4%
Planning	1.2%
Procurement / Sourcing	0.2%
Product Development / Design	1.0%
Public Relations / Communications	1.2%
Quality Control	1.0%
Research & Development (Product related)	2.0%
Sales / Business Development	6.1%
Supply Chain / Logistics	0.8%
Training	11.0%
Other	4.4%

n=607

Please indicate your organization's performance in the following areas:

Questions	Not applicable	At an all-time low	Significantly worse	About the same	Significantly better	At an all-time high
Compared with the past five years, your <u>revenue growth</u> is...	8.2%	4.3%	19.8%	36.6%	23.2%	7.9%
Compared with the past five years, your <u>market share</u> is...	11.5%	1.5%	7.6%	48.8%	26.9%	3.8%
Compared with the past five years, your <u>profitability</u> is...	11.5%	3.0%	17.5%	38.7%	24.1%	5.3%
Compared with the past five years, your <u>customer satisfaction</u> is...	3.0%	51.6%	4.6%	1.3%	34.9%	4.6%

n=607

Generally speaking, how would you gauge your organization's performance?

Note: Question only shown if the previous question was answered with at least two (2) "Not applicable."

Answers	All Respondents
We're in bad shape	3.4%
We perform at below-average levels	5.1%
We're about average for our industry	35.6%
We're better than average	42.4%
We're in great shape	13.6%

n=59

Organization type

Answers	All Respondents
Conglomerate	1.8%
Government	7.8%
Private	63.3%
Public	27.2%

n=335

Total revenue for the entire organization worldwide (in US Dollars)

Answers	All Respondents
\$0 - \$0.99 million	8.9%
\$1 - \$1.99 million	5.4%
\$2 - \$4.99 million	7.8%
\$5 - \$9.99 million	8.9%
\$10 - \$49.99 million	8.5%
\$50 - \$99.99 million	5.8%
\$100 - \$499.99 million	10.5%
\$500 - \$999.99 million	9.3%
\$1 - \$1.99 billion	7.4%
\$2 - \$4.99 billion	8.1%
\$5 - \$9.99 billion	5.8%
\$10+ billion	13.6%

n=258

Location of company headquarters

Answers	All Respondents
United States	76.3%
Canada	7.4%
Australia	1.5%
Bulgaria	0.3%
Colombia	0.3%
Denmark	0.3%
Egypt	0.3%
Finland	0.3%
France	0.9%
Germany	0.6%
Hong Kong	0.3%
India	1.2%
Indonesia	0.3%
Italy	0.6%
Japan	0.9%
Kuwait	0.3%
Malaysia	0.3%
Mauritius	0.3%
Mexico	0.6%
Nepal	0.3%
Netherlands	0.9%
Portugal	0.3%
South Africa	0.9%
Sweden	0.3%
Switzerland, Cantons of	0.6%
United Kingdom	2.8%
United States Minor Outlying Islands	0.6%

n=325

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