



Strategex

OUR GUIDANCE. YOUR GROWTH.

OCTOBER 5, 2021

The Secret to Customer Success

—
FOR MANUFACTURERS

Manufacturers
ALLIANCE

A WEBINAR PRESENTED
BY
MANUFACTURERS ALLIANCE
& STRATEGEX



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CHAPTER 01. INTRODUCTION TO CI/CX



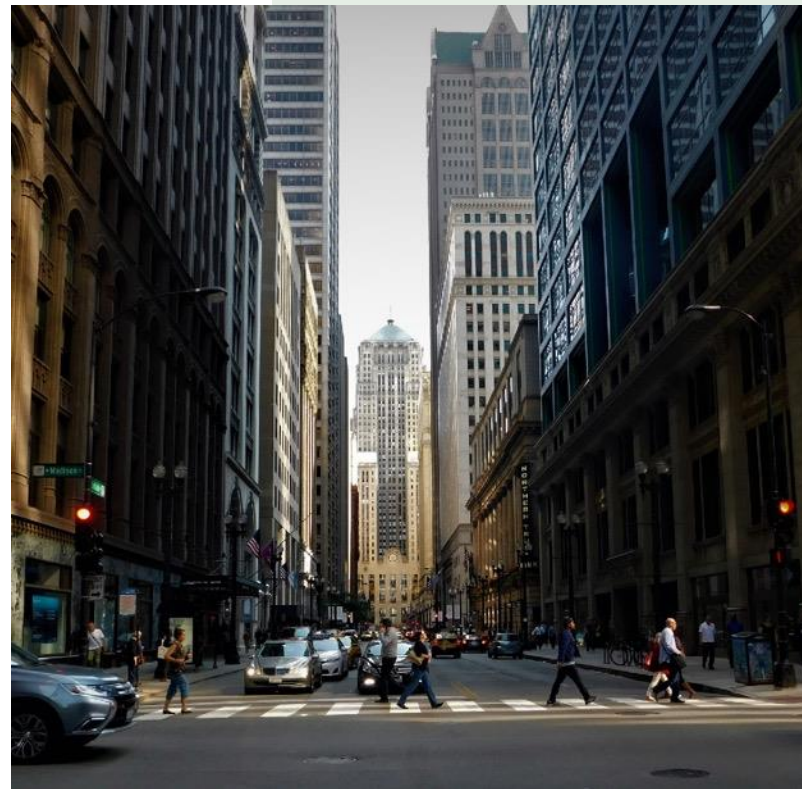
Creating the right experience for the right customer results in profitable growth.

When you amplify the voice of the customer, you amplify your bottom line.

In-depth interviews can be used to discover:

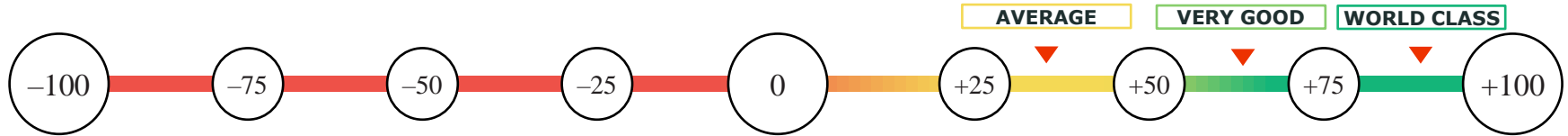
- Net Promoter Score (NPS)
- Customer experience
- Competitor intelligence & benchmarking
- Brand perceptions
- Wallet share
- Future outlook

CUSTOMER INSIGHTS



The Net Promoter Score Explained

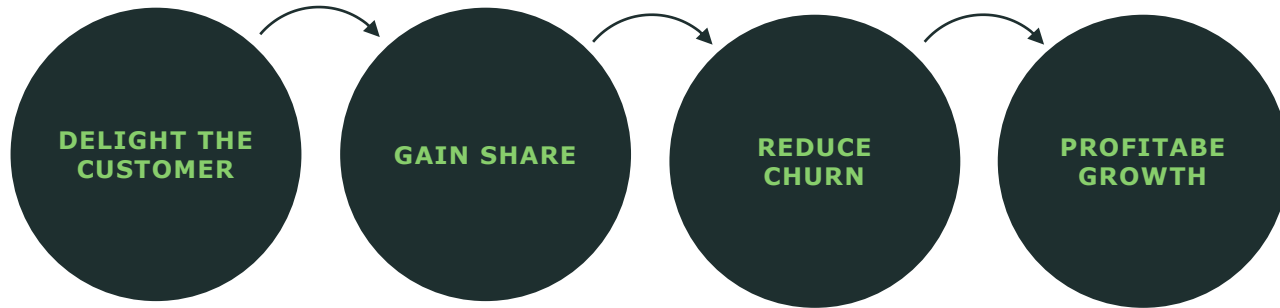
Question: How likely is it that you would recommend [brand] to a friend or colleague?



$$\text{NPS} = \% \text{ Promoters} - \% \text{ Detractors}$$

Dedicated Focus Generates Growth & Opportunity

Exceptional Customer Experience doesn't just happen.



CHAPTER 02. TRENDS



“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you’ll do things differently.”

— Warren Buffett

Trend 01

The Future Looks Bright

**ECONOMIC INDICATORS & CUSTOMER
DATA ARE ALL POINTING TO GROWTH
IN THE MANUFACTURING SECTOR.**



Trend 02

Customer success is driven by engagement

**ENGAGEMENT IS THE #1 FOCUS AREA
CUSTOMERS DEMAND FROM
MANUFACTURING COMPANIES.**



NPS & Engagement

NPS of Companies with **Top 5** Engagement Scores

	NPS	Engagement
COMPANY 1	100	9.5
COMPANY 2	91	9.1
COMPANY 3	88	9.3
COMPANY 4	79	9.0
COMPANY 5	75	8.9

NPS of Companies with **Bottom 5** Engagement Scores

	NPS	Engagement
COMPANY 6	-39	6.4
COMPANY 7	-33	5.3
COMPANY 8	24	7.3
COMPANY 9	15	6.9
COMPANY 10	12	6.5

Top 5 Areas of Improvement

For Manufacturing companies:
January, 2020-August, 2021

Area of Improvement	% of Accounts
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ENGAGEMENT	79%
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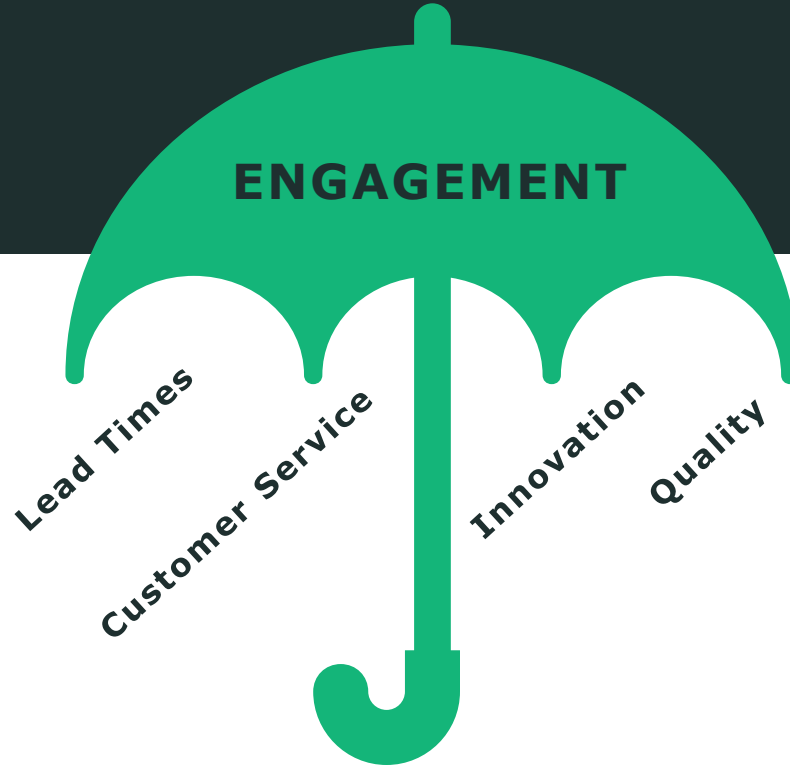
LEAD TIMES & DELIVERY	58%
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CUSTOMER SUPPORT	46%
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INNOVATION	38%
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QUALITY	38%
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Improve Engagement, Improve Everything



Customers Demand Engagement

"Their response to the pandemic has been horrific. They're terrible at communicating. We never know if something is on backorder or when it will ship."

"They need to be more personal. The sales rep doesn't ever come to me. He goes to my supervisor, who doesn't always know what's going on, even though I'm the guy who buys the product."

"We asked for some functions to be enhanced and they said, 'We'll see if it's on our roadmap.' We never heard from them again. Their engineers, while brilliant, determine where the company goes. In contrast, their biggest competitor talks to us and learns what we need."

"They should sell to me more. Their competitors are in front of us more frequently sharing their capabilities and future ideas. Because we have this long-standing relationship with them, they assume we know everything and we're good as is."

Trend 03

Digital Engagement: Run, Don't Walk

**TECHNOLOGICAL INNOVATIONS ALLOW
COMPANIES TO DELIVER A CX LIKE
NEVER BEFORE.**



Digital Engagement

Develop the right mix of analytics, automation, machine learning, e-commerce, and iot.

E-COMMERCE

The amazon experience – powered by machine learning

INTERNET OF THINGS

Wireless control to automatic monitoring

USER PORTALS

Enable ordering, remote control, data visualization, digital service



Digital Engagement

CUSTOMERS EXPECT AN ONLINE TOOL THAT ENABLES SELF-ORDERING AND INFORMS THEM OF AVAILABILITY, PRICING, LEAD TIMES, PRODUCTION STATUS, AND SHIPPING STATUS.

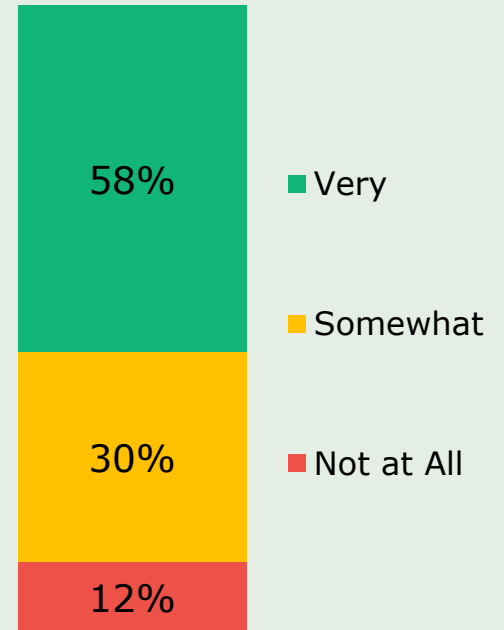
"If they had an online tool to search for the product and track orders, that would be absolutely huge. I can't stress that enough."

"If we had transparency into the production schedule, it would allow for us to plan around the issues instead of dealing with them at the last second."

"They're on the east coast and I'm on the west coast, so I could check inventory status when they're closed."

"This can save time and free up customer service to focus on other areas. Like Amazon tracking, I'd like to see the status of my order in the production run and in shipping. Digital capabilities will be a requirement for all of our suppliers by 2023."

How valuable would it be if (Manuf Supplier) offered a digital self-service tool?

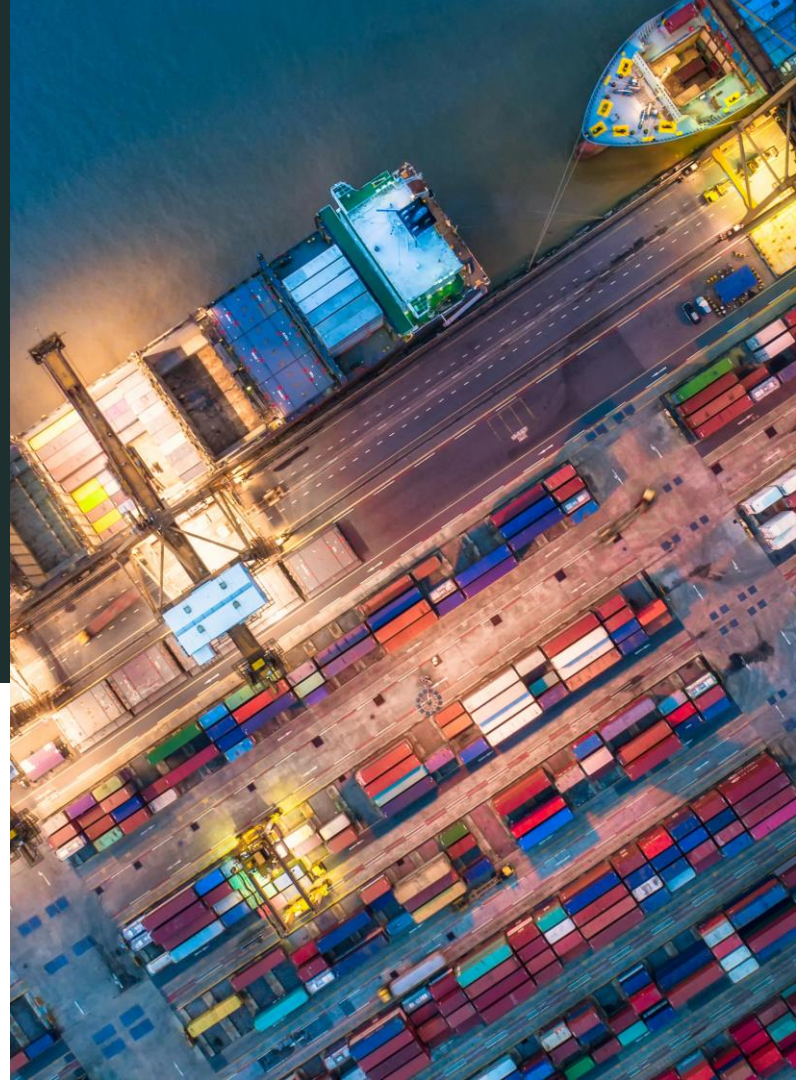


Trend 04

Supply chain issues

**A RELIABLE SUPPLY CHAIN IS THE KEY
TO CUSTOMER SUCCESS.**

Strategic supply chain management will provide companies with the competitive advantage.



CHAPTER 03. SOLUTIONS



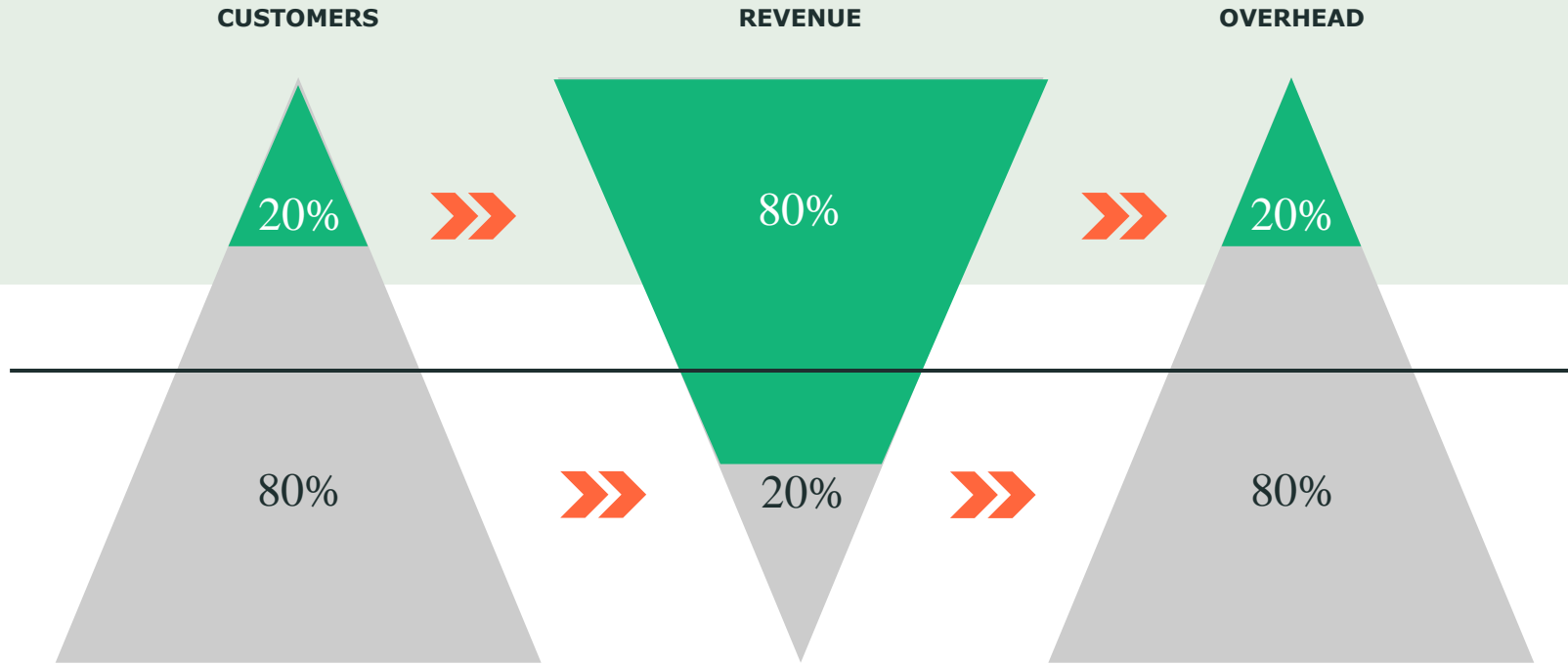
“Get closer than ever to your customers.
So close that you tell them what they need
well before they realize it themselves.”

— Steve Jobs

The customer experience
should not be created equally.



Nichols Pyramids



Which Customers Matter Most

QUARTILE	# OF CUSTOMERS	% OF REVENUE	% OF OH/EFFORT	% PROFIT
	1 - 50	89%	25%	150%
	51 - 100	7%	25%	BE
	101 - 150	3%	25%	(\$\$)
	151 - 200	1%	25%	(\$\$\$\$\$)

**COMPLEXITY IN QUARTILES THREE AND FOUR
DILUTES THE CX IN QUARTILE ONE**

80/20 Key To Success

TREAT THEM **DIFFERENTLY**



FAIRLY - NOT EQUALLY

Deliver Value “Where it Matters Most”



Define Your
Value



Choose Your
80's



Align Resources



Relentless Focus

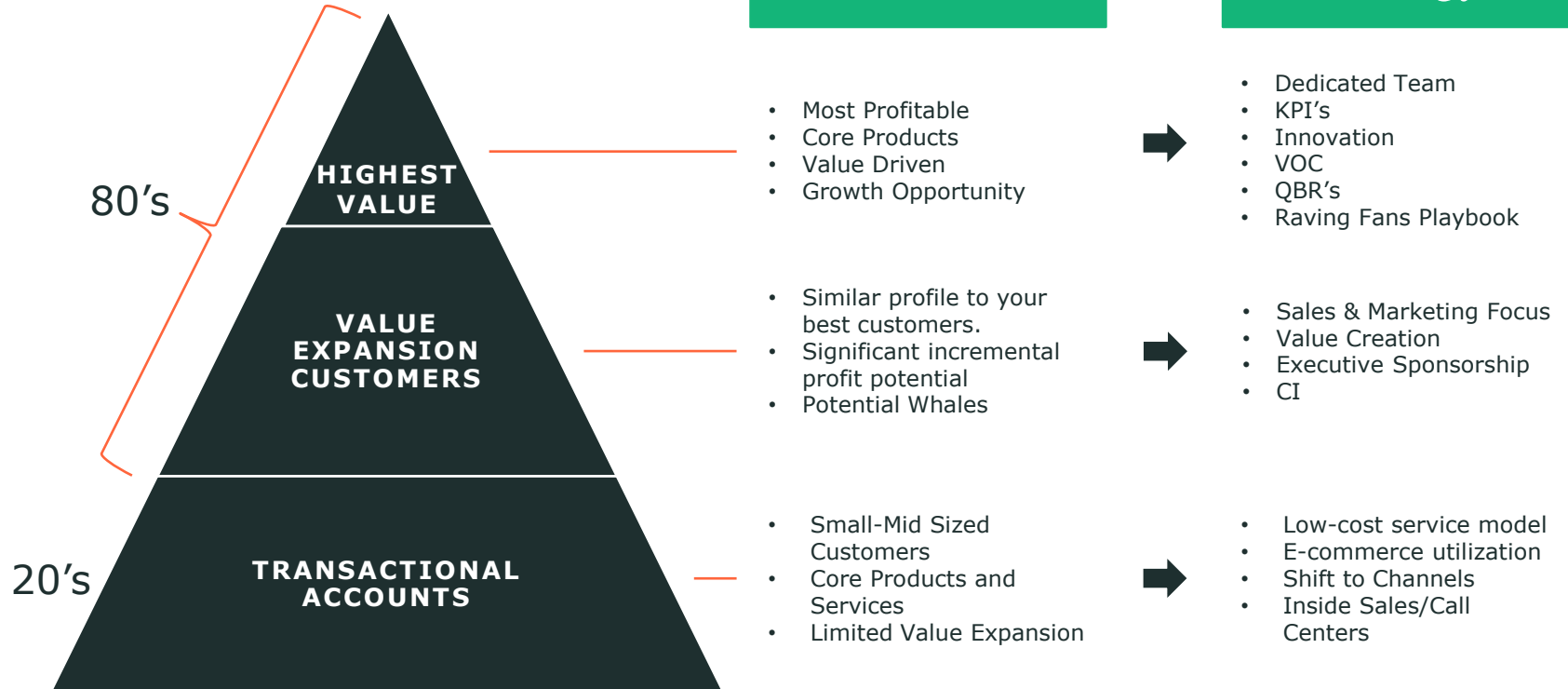
Strategic Engagement

**HOW DO YOU ACHIEVE
LOYALTY & GROW SHARE?**

YOU MUST DELIVER DIFFERENTIABLE VALUE BY:

- Understanding what problems you solve for your customers.
- How you compare to your competition in the areas that matter most to your customers.
- Connecting your best strengths to the customers most important needs.
- Communicating how you deliver tangible economic value to their business.
- Demonstrating that you understand and help your customer execute their business priorities.

Tiered Engagements



Raving Fans

Four Common Traits of Raving Fans:

- **Always buy from you**
- **Want to buy more from you**
- **See you as a partner**
- **Boast about you to others**

Raving Fans Index – Net Promoter Score (NPS)

- Customer Insights (CI)

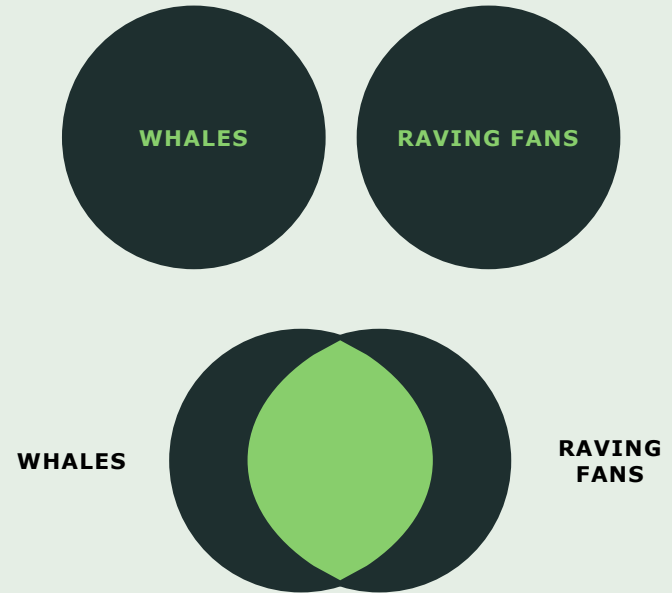
Book recommendation:

Raving Fans

A Revolutionary Approach To Customer Service

By Ken Blanchard and Sheldon Bowles

How many Whales are Raving Fans?



Engagement Behaviors

**EVERY EMPLOYEE CONTRIBUTES TO A
CUSTOMER-FOCUSED CULTURE.**



6 WINNING BEHAVIORS:

- 1 /** Noticeable Responsiveness
- 2 /** Friendly/Positive Attitude
- 3 /** Proactive/Takes Initiative
- 4 /** Always Dependable/Honors Commitments
- 5 /** Flexible/Accommodating/Can-Do Attitude
- 6 /** Understands the Customers' Business

For top accounts, the
experience has to be
EXCEPTIONAL

THE 80S



Questions?





Thank you

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APPENDIX

Graveyard



R.I.P.



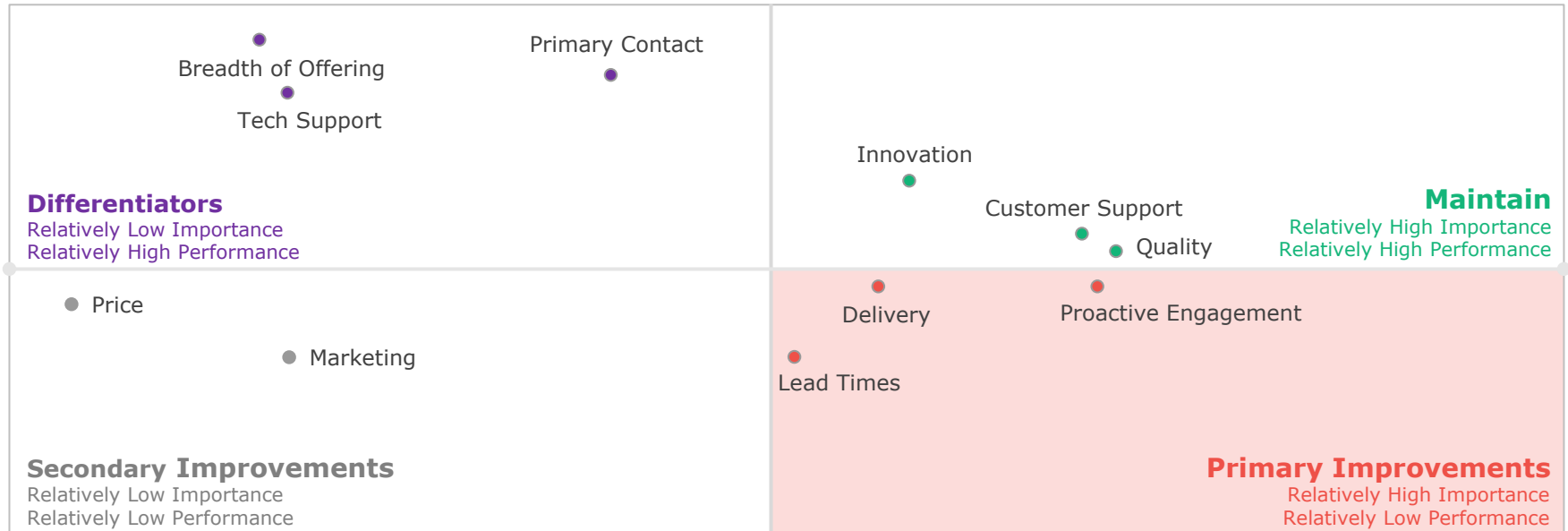
7 Key Questions

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- 1 / What is the size of the market?
- 2 / What is the outlook of the market – growing or shrinking?
- 3 / What is our share?
- 4 / Why do we have our share?
- 5 / What is our competitors share?
- 6 / Why do competitors have their share?
- 7 / How do we take competitors share?

Priorities for Improvement

For Company 9, three attributes – **engagement, delivery and lead times** – received low satisfaction scores but compared to other attributes, were more likely to be correlated with NPS.



Not Everyone is First-Class

- Do you treat every customer, order, and product the same?
- Airlines segment their customers and provide tiered service

FIRST CLASS

