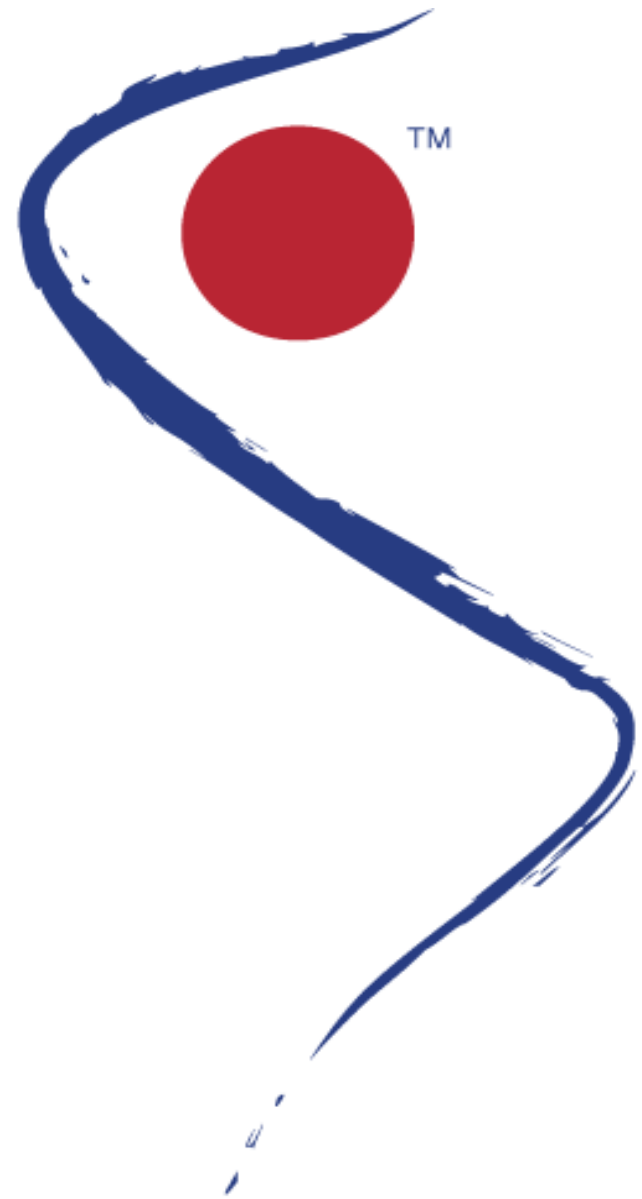


**The
Customer
Engagement
Model**



HOT RIVET

Why do we need a Customer Engagement Model?

Have you ever watched 8 year olds play football or rugby? It is very simple, there is a ball and about twenty children chasing that ball around the park all within one metre of that ball.

Ever seen your customer facing team working like that? If yes you have seen the symptoms of a company with no clear customer engagement model. And why does this happen? There are two main causes:

1. Different departments do not have clearly defined and integrated responsibilities in their sales process.
2. People focus more on the efficiency of their tools instead of the effectiveness of their processes.

Although many of us simply accept this situation as the way life is, it is not a healthy way to be now we are in an age of radical innovation.

To add to this, in the past decade we have seen huge changes in the way businesses operate. Externally we have had to respond to significant increases in the amount of compliance and degrees of governance imposed upon us. Internally, Executives have wanted to see more recording of data and events as well as more measurement – of everything! To cope with these demands we have implemented a plethora of new technologies.

In the meantime the customers have been doing something else and after the crash we seem to have lost sight of them and getting our strategies to connect with our customers is difficult.

This document aims to explain why we have lost clear sight of our customers and proposes a path forward.

Diagram 1 – Typical Customer Engagement Model

The customer engagement model should define the precise touch-points and activities between a vendor and its customers from stimulation to procurement. The customer engagement model is created by integrating workflow and responsibilities and will differentiate tasks and critical outputs across the customer engagement. It will align the day to day activities of every member of the virtual team (customer facing employee, partner and Alliance) with the business' strategic and tactical sales objectives. The customer engagement model has four levels:

Strategy Level

which is where the business direction is decided. This will include product strategy, market segmentation and investment planning.



Tools Level

which is where the strategic initiatives are first implemented. The tools applied will be marketing campaign management, CRM, account/channel management, service delivery tools and sales operations.



Behavioural Level

which is where the rubber hits the road, quite simply where the different customer facing groups interact with the customer within the parameters of their role, be that sales, marketing, R&D or finance. The different groups will record their experiences and predictions through their own specific tools at the tools level.



Customer Level

which is everything the customer does, formally or informally, face to face or digitally, directly or through agents. All the customer activities will be within their own decision making processes.



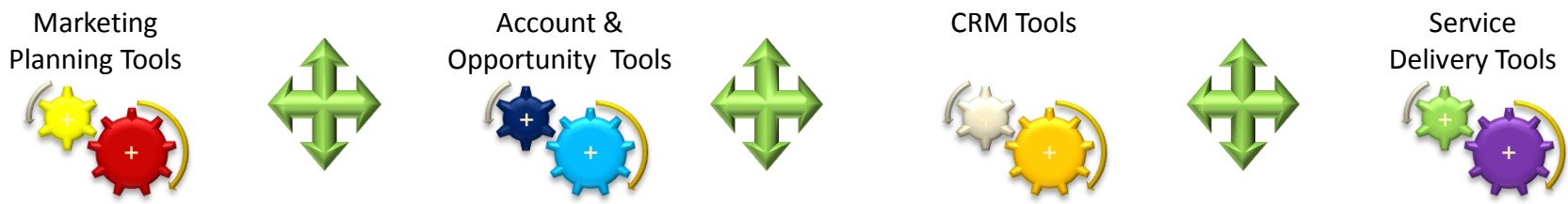
Diagram 2 – The Silo Problem

What are the symptoms of a company with a broken customer engagement model? Confused customers because of mixed marketing and sales messaging. Slow sales cycles because of poor resource integration. Lost and missed business because of poor customer visibility, to name three. And why does this happen? Because of silo issues at the Behavioural Level, where different departments do not have clearly defined and integrated responsibilities in their sales process. This reveals that the silos have no horizontal integrity when an activity, such as engaging with a customer, attempts to cut across them.

Strategy Level



Tools Level



Behavioural Level



Customer Level



Diagram 3 – Lack of common process.

The outcome of this lack of horizontal integrity is a fog of task responsibility which obscures the view of the customer so when the customer changes their decision behaviours we lose sight of them.

Strategy Level



Tools Level



Behavioural Level



Customer Level



What are the four Buying Cultures?

There are four buying cultures, which are distinct, and each requires a different style of engagement. These are: Value Offered, Value Added, Value Created, and Value Captured. We represent them by suits of playing cards. First, we need to understand the dynamics of the different buying cultures and agree on some terminology. Imagine that each buying culture is an organization's way of saying to a vendor "This is what I want you to do for me before I actually buy from you."



The Value Captured buying culture is used when the customer is willing to put themselves in the hands of a vendor in order to generate change or value. An example here would be an organization that is hoping to increase its flexibility and reduce costs through outsourcing. The customer will ultimately share responsibility with the vendor to get the value in their cooperation. The customer is looking to capture the value jointly with the vendor through the tangible returns which the vendor brings through change. The customer will not pay the vendor for products or services themselves.



The Value Created buying culture is used when the customer is looking to the future and is looking for insight on unforeseen risk in their thinking. It takes the vendor to bring it into clear focus by using their unique perspective on the customer's world to gain mindshare and create new value for the customer. An example might be an organization that has recognized they need to drive operational effectiveness and improvement, but it takes a vendor to show how they can engage their employees in adopting shared processes, how they will deliver it, and what a solution might look like.



The Value Added buying culture is used when the customer has evaluated and understands their own needs and is looking for a vendor who will add value by using their knowledge of their own products and services to build the customer a solution which meets those needs. An example could be a customer looking for a CRM system. CRM systems are known to exist and the benefits are universally understood, but it requires the vendors to explain the specific value of their solution over those of their competitors.



The Value Offered buying culture is used when the customer knows what they want quite explicitly and all that is left to do is decide what colour it will be, so will look for a vendor with a product or service with features and price to meet the customer's specification. An example is an organization that is looking to procure a number of laptops as part of an initiative to mobilize the workforce. The customer will conduct their own research and make a decision about which model or version. They may then use the Internet to identify the lowest price or go back to their preferred vendor list. For the vendor it's about establishing a brand, being price competitive and having the lowest friction sales and delivery channel.

Diagram 4 – Use Customer Buying Cultures as the Common Language.

By applying the four Buying Cultures in the Customer Level we now have a common language for customer behaviour. However although the four Buying Cultures help us to understand the customer better they do not provide us with a detailed process with which we can engage.

Strategy Level



Tools Level



Behavioural Level



Customer Level



Diagram 5 – A single process.

There is a pathway that all organizations follow to reach purchasing decisions. This process doesn't vary across industries or even regions of the world because it's inextricably linked to instinctive human behavior. It's just the speed that organizations or individuals travel through the process that differs. It is called I M P A C T.

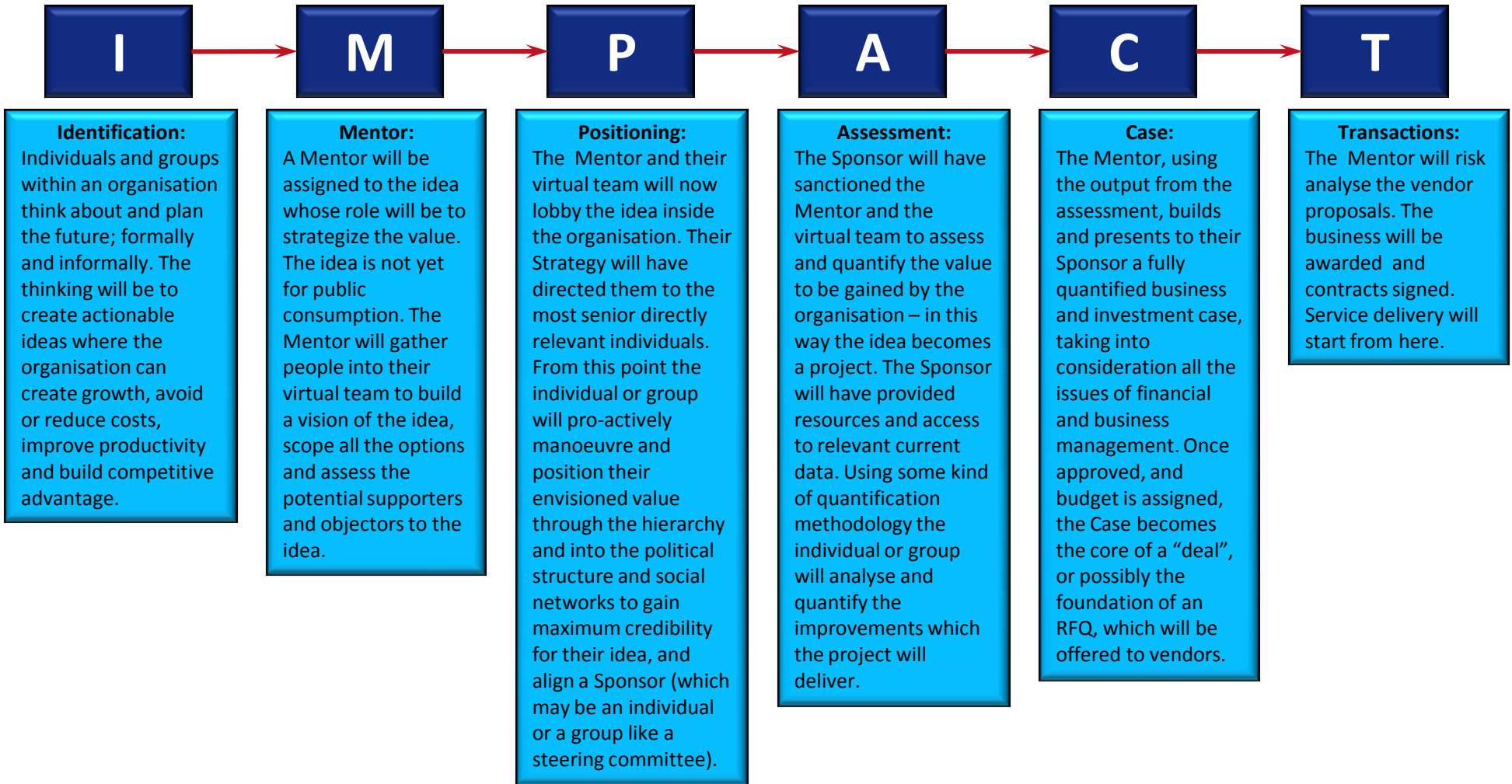
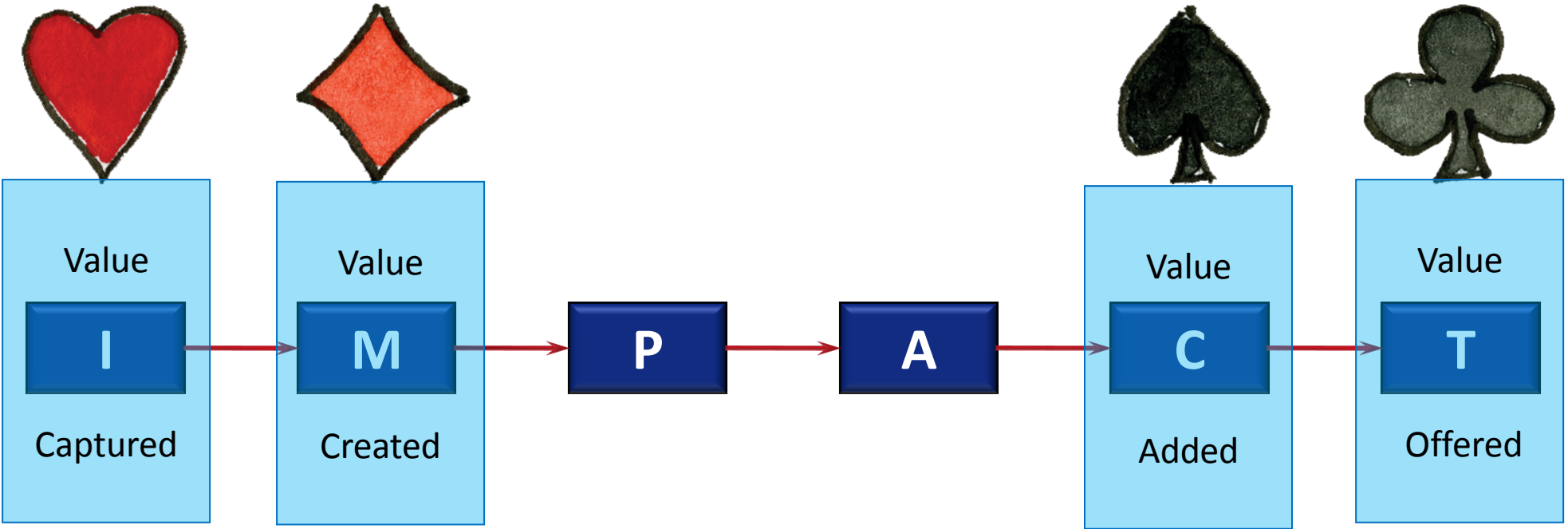


Diagram 6 – Buying Culture Alignment.

This picture says it all., this is why “one size fits all” selling can be disastrous Each of the four engagements have very different dynamics and will require us to operate in different ways. Each customer facing department will have different responsibilities and each engagement will need different risk analysis criteria.



*Customer is looking for change.
Vendor operates as joint venture.*

*Customer has a sense of direction.
Vendor creates value through insight.*

*Customer understands their needs.
Vendor adds value building a solution.*

*Customer knows what they want.
Vendor offers product that fits.*

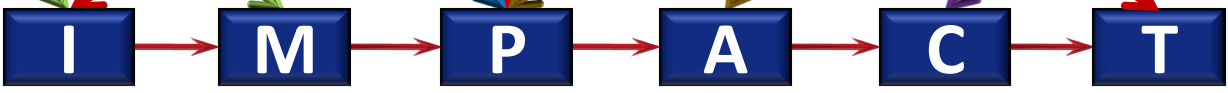
Diagram 7 – Align Behavioural level to common process.

Now we can transform from our current mess of departmental silos to an organization where the resources are correctly aligned. The customer engagements need to be described in terms ‘what people have to do, how they do it, the tools they need to do it and how they are measured’. This is captured as a hierarchical end to end responsibilities map. Unless we are going to operate in completely parallel business units we now need to look for processes that can be shared. This will reveal the elements of the responsibilities for each department that cannot be shared. Where we combine responsibilities, they must be based on the activity, not the resource; here the metrics will give us clues since same sounding activities with very different metrics may mean they cannot be combined.

Behavioural Level



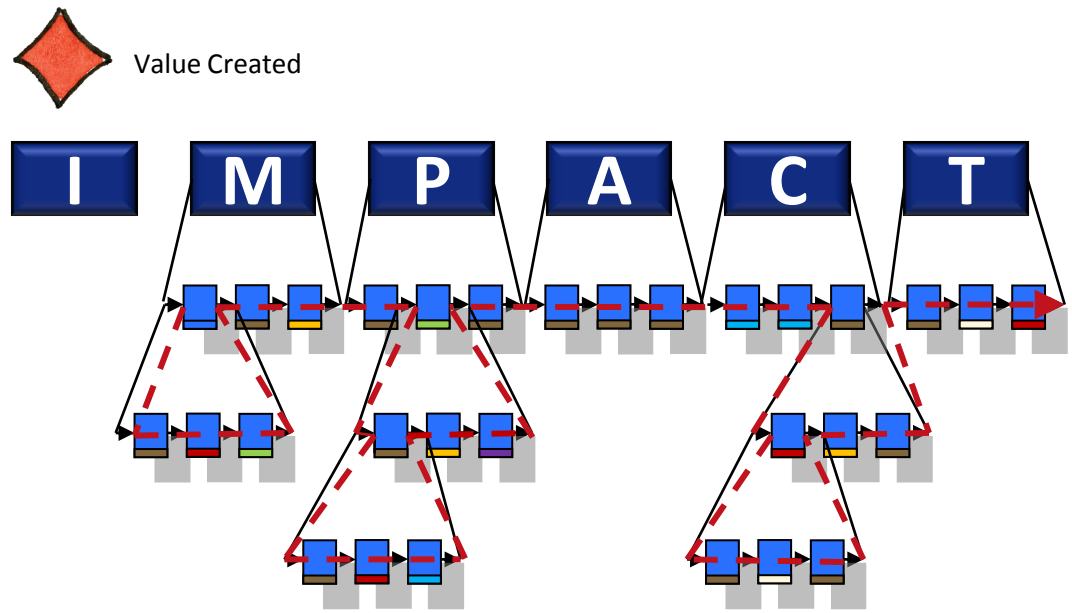
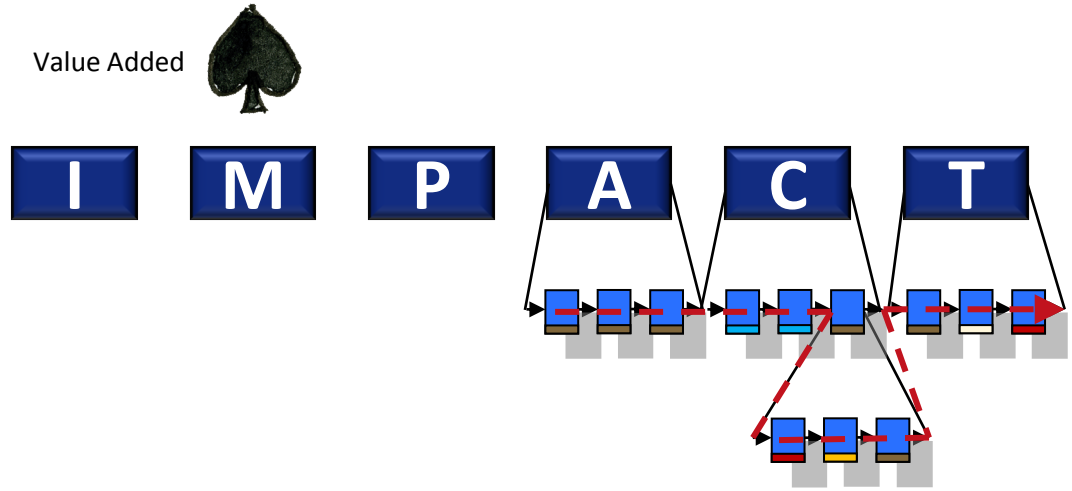
Customer Level



Customer Decision Process

Diagram 8 – Example Customer Engagement Model workflows.

These Customer Engagement Model workflows will become our intelligent operations manuals for sales and marketing. The workflows now make explicit the four different ways that we need to work to align our virtual teams to IMPACT.



The Customer Engagement Model is a core business tool that:

- Provides explicit connection to the market strategy.
- Maximizes resource usage.
- People will use day-to-day regardless of their role.
- Allows change to be viewed, managed and driven both strategically and tactically.
- Reuses existing data and intelligence.
- Aligns the Partner ecosystem.
- Answers the question “how do we repeat best practice consistently?”
- Increases the horizon for forecasting.
- Reduce the time to productivity of new sales strategies.
- Provide real-time analysis and management.
- Integrates existing tools (Salesforce.com, CRM, BI etc.)
- Makes growth accountable.

Automating the Customer Engagement Model.

Predictable, controllable and accountable growth is the goal for every business and this requires an auditable and governed customer engagement model where sign-off can be delegated throughout the organisation. Once defined the customer engagement model can be brought to life with Nimbus Control. The Control software provides a collaborative framework for mapping, measuring, managing and improving the whole customer engagement.

- Control manages the processes, documents, resources and metrics, and the relationships between them: research shows over 20% of a person's time is wasted looking for information.
- Control describes the activities, roles and accountabilities for each person
- Control connects each stakeholder through a personalized, collaborative portal.
- Control enables a successful and sustainable approach for process management.
- Control identifies which tasks are redundant or can be automated.
- Control connects lead and lag indicators through causal effects to provide business Leadership with a real time view of their market position from a sales perspective incorporating all four Buying Cultures.
- Control sends the customer engagement model mobile through laptop, netbook, iPad or iPhone.

Nimbus is a global software company that develops and implements business process management (BPM) applications to help companies and public sector bodies improve performance, efficiency and compliance. Headquartered in the UK, Nimbus has offices in 10 countries. Nimbus' flagship product, Nimbus Control allows clients to capture, manage and deploy their operational processes and supporting information to all of their people wherever they are, across the web or on a mobile device, delivered either on premise or as software as a service (SaaS). Clients have found that the Nimbus approach to process management delivers faster and more successful results for a wide-range of process-led initiatives.

Nimbus is a Microsoft Gold Certified Partner (ISV), an SAP Software Partner, an Oracle Partner and a Salesforce.com Partner.