

# BEST PRACTICES

## Building Your Business With Customer-Focused Solutions

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**MAIN IDEA**

Arthur Andersen conducted a \$30 million research project over a 6-year period to identify specifically what it is world-class companies do better than anyone else. Six business processes were identified and labeled "best-practices" because -- in Arthur Andersen's analysis -- they represent the optimum way for companies to achieve extraordinary results.

Taken together, these six business processes combine in a total commitment to and focus on the customer. Best-practice companies vigorously attempt to understand markets, form close associations with customers, design, market and deliver products that customers want. In the process, best-practice companies provide unequalled levels of service to their customers.

When everything in the company is focused on learning and responding to what the customer wants, world class performance can be achieved.

An Overview of the Best Practices Used By World-Class Companies . . . . . Page 2

Best-practices are the six business processes world class companies use to identify, develop and retain customers. They exemplify business excellence, and provide a template any company or organization can use to build its business.

Process 1 -- Develop a shrewd and profound understanding of your customers and markets . . . . . Page 3

Best-practice companies understand and respond to the changing needs of their customers by:

1. Understanding the broader market, not just the customer.
2. Systematically visualizing the value chain.
3. Talking to customers meaningfully on an ongoing basis.
4. Revising products in response to customer requests.
5. Segmenting customers.

Process 2 -- Partner with customers to develop improved and enhanced products and services . . . . . Page 4

Best-practice companies work closely with customers to improve the products and services they deliver by:

1. Surveying customers frequently for ideas and opinions.
2. Sharing the data gathered through the company.
3. Educating customers on how they can help.
4. Partnering with customers to develop enhancements.
5. Involving customers in the testing of prototypes.
6. Marketing the improved products effectively.

Process 3 -- Incorporate innovative ideas and technologies into marketing and selling . . . . . Page 5

Best-practice companies approach marketing and selling in innovative ways that align closely with customer preferences by:

1. Reaching customers through multiple distribution channels.
2. Effective pricing strategies
3. Developing highly effective advertising and promotion.
4. Putting a sales force in place.
5. Processing orders efficiently.
6. Developing and expanding the customer relationship.

Process 4 -- Make customer preferences a priority in product and service delivery . . . . . Page 6

Best-practice companies actively involve their customers in the delivery of products and services by:

1. Positioning themselves as their "supplier of choice".
2. Offering delivery and supply customization wherever possible.
3. Learning about each customer's individual needs.
4. Developing state-of-the-art distribution capabilities.

Process 5 -- Provide exceptional and immediate customer service . . . . . Page 7

Best-practice companies deliver exceptional levels of customer service by:

1. Demonstrating to customers their needs are being met.
2. Allocating responsibility to one person from start to end.
3. Using customer feedback productively to anticipate.
4. Raising customer expectations of complaint resolution.
5. Empowering employees to handle complaints efficiently.

Process 6 -- Manage productively the information gathered about customers . . . . . Page 8

Best-practice companies turn what they know about customers into a competitive advantage by:

1. Designing and building customer profiles.
2. Systematically collecting information about preferences.
3. Distributing customer information throughout the company.
4. Analyzing how customers actually use the products.
5. Measuring customer satisfaction internally and externally.

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