

**VALUE ADDITION – A TRUMP CARD FOR
BUSINESS GAIN THROUGH CUSTOMER
SATISFACTION**

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Overview

In this stiff competitive era, every company is vying for a greater market share. The competition can be succeeded mainly by developing a loyal customer base. There is no business without a Customer. For a business to exist it mainly depends on customer satisfaction. A product with best Quality and a competitive price are a must to please the customer but definitely not the only parameters that result in customer satisfaction. Even after delivering the best product, there are unhappy customers. Most often clients are not technical experts but their satisfaction lies in their expectations. The secret to success lies in managing their expectations effectively.

It is not enough if the management waxes eloquently about customer centric strategies but every employee of the organization needs to show the same enthusiasm to serve the customer efficiently.

Challenges

In order to keep up the pace and sustain in this competitive market every company has to face some challenges. These challenges list includes lot of parameters which constitute to Time, Money and Resource. But one such parameter that is not bothered about the company's challenges is **THE CUSTOMER**.

Satisfied customer is product goodwill ambassador

Customer is the focal point of every business. The very existence of business depends on customer satisfaction. Delighting these customers can only be done by effectively managing their expectations. This is not an easy job to be done as the customer expects the moon, the stars, the sky and also every thing below it!

A customer often frames his opinion about the organization based on his interactions with a single person or single department of the organization. So if the customers have to be satisfied the main focus of the vendor company should be on their employees first.

As someone very aptly pointed out employees are the internal customers of the organization. If the company succeeds in keeping their internal customers happy the game is half won! They will in turn be motivated to serve the company's actual customers better.

To make client relations work, strategy to manage customer expectations on a broader spectrum has to be practiced. Customers expect different things at different times but the company can put its best foot forward by paying attention to the following aspects:

1. **Value addition** - Clients look for value addition while choosing a product. They expect the product to enhance their ability to run their own business more efficiently. Therefore companies that understand customer needs and customize their products accordingly enjoy greater customer loyalty than those who simply

- ask the client to pick and choose from a preconceived list of products and services.
2. **Efficiency** - Client looks for efficiency and expertise from the vendor's end. Provide adequate training to the employees to handle clients efficiently. Though this sounds pretty obvious it is not uncommon to find employees cutting a sorry figure before the clients.
 3. **Progress** - The client expects to be informed about the progress made on his project at regular intervals. It is important to explain the process followed by the company in measuring and reporting progress. Client communication should be accorded highest importance to avoid misunderstanding and also to iron out any differences.
 4. **Disclosure** – The client expects to learn about risks involved so that it becomes easier to cope with the inevitable bumps on the road. Similarly the company's credibility gets enhanced if the client is informed about any unavoidable delays well in advance rather than spring last minute unpleasant surprises.
 5. **Adherence to timelines** - The client expects to honor the mutual commitments. Therefore it is always prudent to under promise and over deliver than the other way round. Make it a point to be just on time and not beyond or before schedule. Schedule overruns no doubt create problems but research indicates that work delivered before schedule is viewed skeptically too. This is probably because the work delivered before time is perceived to be done in haste and lacking in perfection.
 6. **Consistency** - Clients look forward to consistent performances. The company can go one step further by trying to better its performance at every opportunity.
 7. **Trouble shooting** - The customer expects the vendor to listen, understand and solve his problems. Nothing frustrates a customer more than poor after sales service. It is important to view problems as opportunities to win back customer trust. The company has to demonstrate respect to the customer by promptly attending to his problems or complaints. A respected customer spreads the goodwill and brings in many more customers through word of mouth publicity.

By successfully managing these customer expectations the company can be sure of a happy and thriving customer base.

Emphasizing on Value Add

Definition

1. The enhancement added to a product or service by a company before the product is offered to customers to raise the value of a product.
2. For a firm to deliver value to its customers, they must consider what is known as the "total market offering." This includes the reputation of the organization, staff representation, product benefits, and technological characteristics as compared to competitors' market offerings and prices. Value can thus be defined as the relationship of a firm's market offerings to those of its competitors - *Wikipedia*

The **VALUE** concept is a basic constituent of relationship marketing. The ability to provide superior value to customers is a prerequisite when trying to establish and maintain long-term customer relationships. The customer's need of quality improvements and his willingness to pay for it should be taken into account. From a relationship perspective these aspects are fundamental, since they are both related to the costs of the parties involved. Suggests that a reduction in customer-perceived costs may be a most recommendable method of providing value to the customer, since, done properly, it can improve the internal cost efficiency as well. It is then possible to establish and maintain mutually profitable customer relationships, which is of prime concern in relationship marketing.

How to increase Value Added?

Fundamentally, the company's value added is determined by its sales and the costs associated with bringing them to market. There are obviously three main ways of increasing the company's value added:

- Increase sales (e.g. by developing new markets).
- Offer customers something they will pay more for.
- Cut the costs to achieve those sales.

Of course, if the products and services offered by the company are not profitable in the first place, driving up sales will worsen its financial health. Many companies face the dilemma of their products and services being undercut by cheaper offerings from competitors.

Innovation and Value Added

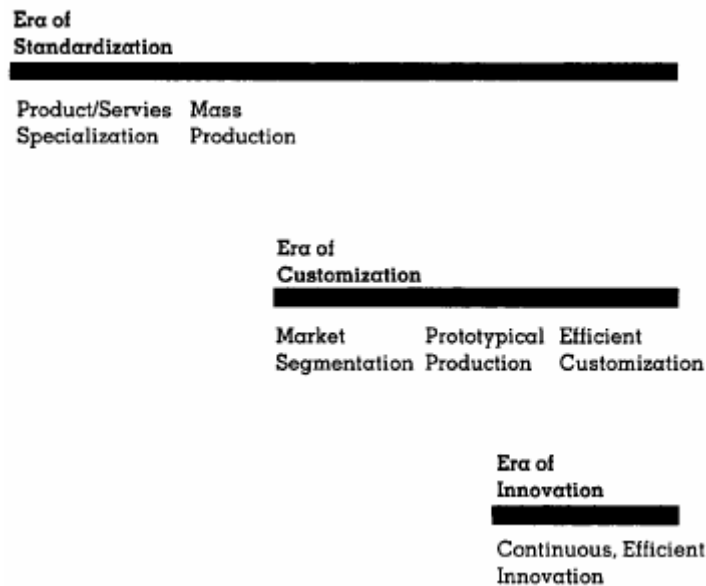


Fig. 1 Era of Innovation

Achieving Value addition through *Innovation* is the best way. **INNOVATION** the successful exploitation of new ideas. Any customer would be satisfied if new or improved ideas for the existing product or services are offered. Value Addition through Innovation can be in the areas of:

1. Process Improvement
2. Application of technology
3. Product Design
4. Business Gain etc.

Competitors also try to do the same; the sooner we put innovation at the heart of our business strategy the sooner we will outperform them. This means, all the workforce have to think and pour their ideas as inputs so as to add value to their normal work flow and become more productive. To succeed in the markets of the future, we have to invest money, time and knowledge. The cost of investment may be significant, but failure to invest might just push us out of the business competition.