



EQ Management Group

Customer Loyalty Tug of War

By Ronald M. Foss

Developing strategic priorities focused on the customer, an organization should encourage its sales people to work in a collaborative style to leverage business potential within the marketplace. Jeanne M. Liedtka suggests, in her research on how collaborating across lines of business gain competitive advantage, that by establishing a collaborative approach, a focus on internal organizational strengths and on the needs of the customer, there is then potential for gaining (or pulling) a larger segment of market share. Customers have to deal with external influences, their own preferences and multiple competitive choices in order to make informed decisions. Organizations that can take a holistic, collaborative approach to identifying and satisfying customer needs will more likely obtain a greater share of the market. The sales manager's role is therefore to ensure they optimize their sales person's performance against the customer. For example, while sales managing a unified sales force targeted at providing holistic solutions for our customers, while the organization had multiple product lines fighting for shelf space, I found myself spending a lot of time preventing our internal silos from looking like our competition - fragmented and confusing.

Create a mental image of a tug of war with the customer in the center – Not just one rope being pulled at both ends but many ropes pulling in all directions. First, they have their own established preferences and habits. Given we are creatures of habit these can be well anchored and difficult to move. Second, they have external influences coming at them all the time by way of marketing, subliminal messaging and information highways to name a few. Thirdly, there is your competition trying to influence them and attempting to pull them in multiple directions. Hopefully they are fragmented and more confusing than your own value proposition. Lastly, there is your own organization and in my own situation various lines of business or products attempting to secure the customer through a single sales force. You can either look like your competition and be pulling your customer in multiple directions or you can collaborate and unify yourself to be the power line that wins the customer's heart, mind and soul then ultimately their business.

For collaboration to exist, Liedtka suggests that shared goals and partnerships are important and the sales manager's role is an integral part in developing these relationships. Sales managers and sales leaders today should use a less directive approach to obtain commitment and manage the risk of forfeiting control of what often has been ownership of outcomes for many managers of the past. This is consistent with humanistic-encouraging behaviours in sales managers as described by Dr. Clayton J.C. Lafferty as these sales managers believe that they can assist others in fulfilling their potential by providing a supportive climate that inspires self-improvement, motivation and confidence.

Certainly with my own experience when we were unified, all pulling for the customer to win we had double digit growth, business leaders that were exceeding plan, sales people making more money than they had ever contemplated and we had established brand recognition that clients wanted to be associated with. When we were not unified all of these indicators slipped away and more quickly than it took to establish them.



Ron Foss is the Senior Partner of EQ Management Group committed to improving management capability. He can be reached at rfoss@eqmg.com. More information can be discovered at www.eqmg.com