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CUSTOMER ACUMEN

**INSIGHTS TO BUILD
CLIENTS FOR LIFE**



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EDITORIAL

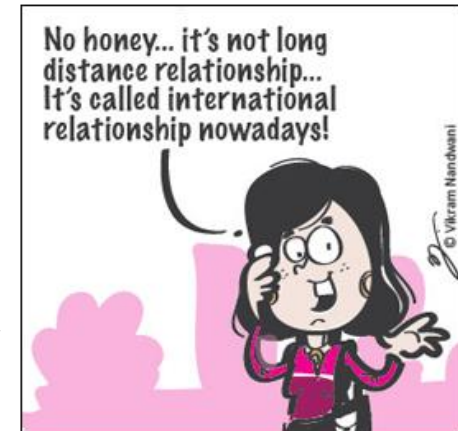


Dear Reader,

In the digitally globalised world, firms today are moving away from their comfort zone and crossing borders to seek new clients. Acquiring new customers is a challenging task for every company seeking to grab a wallet share in the wave of the competitive business environment. Ask any professional and you will find that maintaining and sustaining customer relationships at a global level is an overwhelming job especially if you are in for the long run.

The plurality of stakeholders, coupled with complex buying patterns will require specific strategies to differentiate the customer's experience and journey at a global level. The fact that a strong correlation between long-term business success and long-term customer relationships exist leaves little room for any error at this level.

Customer Acumen this quarter looks at **Building Global Client Relationships**. **Jay** offers some nuggets of knowledge in the principles behind building and sustaining business relationships, backed by customer relationship aspects made famous by Andrew Sobel. We have **Anuraaga Chandra**, **Global Head - Sales Drivers (Commercial Compressors) at Danfoss** who highlights the various challenges in managing B2B customers at a global level. **Prasad Deshpande** reviews Michael Puett's book - **The Path** - which draws insights from Chinese philosophers, and offers interesting alternatives intended to transform our life in a capricious world. Cartoonist **Vikram Nandwani's** toon certainly knows how to manage global customer relationships!



As always we value your relationship with us. Do send us your feedback and your thoughts on what you would like us to feature in our upcoming issues of **Customer Acumen**.



MUSINGS



Building Relationship Bridges for Business Success

- Jay

Business happens over years and years. Value is measured in the total upside of a business relationship, not by how much you squeezed out in any one deal. (Mark Cuban)

A key challenge for every business is building & sustaining long-term client relationships. Typical to new business development professionals or salesmen is the anxiety when a new relationship is to be created to win a new business contract. While nervousness per se may not be an issue, the task is compounded because such salesmen are ignorant of the principles underlying relationship development. Let me outline a few cardinal principles which offer valuable insights on what it takes to build and nurture meaningful business relationships.

If you truly value a relationship it is never transactional in nature. While every day we interact with many people, by definition, deep relationships are not with many. Literally too, the word relationship indicates 'the state of being connected by blood or marriage'. While there are family businesses which thrive on this kind of close kinship, largely we are referring to 'the way in which two or more people or groups regard and behave towards each other'. Even through this lens, the emphasis does not change much: we are talking of how people regard one another, and the pay-off being positive value or benefits for both sides. The value generated could be emotional or material, the point being mutuality which leads one to interact. Consequently, there is an investment to be made, be it time, effort or in some other form. Hence, the first lesson is the need to think Investment! Value is generated through investment - not by casual transaction.

I would boldly go so far as to say that the singular game-changer in today's competitive business world is not product or service (which can be imitated very quickly) but sustained relationships. In other words, this is a relationship forged through good and hard, testing times. Business-to-Business (B2B) relationships, more often than not, happen episodically. By this I do not mean that they cannot be fairly regular, but rather that each episode is a self-contained unit or chunk that is full by itself, but yet has connections with an action before, and also leads further in to the next set of actions. Consequently, the common factor in such a situation is the person you are dealing with. Too often it is forgotten that building bridges with this person also has to be an on-going exercise. Andrew Sobel puts it well when he says, 'Follow the person, not the position'. Instead of waking up when a new incumbent is appointed to a role, smart business development professionals have worked on mapping the likely future incumbents and take steps to seed new relationships. Experience tells me that sooner rather than later, these seeds germinate to grow into strong and robust new trees/relationships.

Sobel also has another take on this aspect of relationship building: build your network before you need it, he says. Thinking long-term pays. When you are in the world of business, first ask yourselves are you in this for real? If the answer is unclear, you are unlikely to make serious investments in anything, least of all your own learning. If you think like a day-trader, then you will only make small wins. If you are a value investor, then you will sharpen your skills and equip yourself with new ideas through knowledge acquisition, and even be prepared for deeper risks. Gains to you are not transitional, and your attitude is always to think of the future, irrespective of the short-term disappointments. The optimism and passion that you reflect in your behaviour is incredibly infectious, and will resonate with your clients. The abundance mentality that you display and the generosity with which you share your wisdom and your time will forever stand in your favour. A note that needs highlighting here is that your generosity comes with the mind-set of sharing and not because you are seeking a quid pro quo. Invariably, the investment you have made will be returned in multiples, provided the investments are not tainted but a genuine extension of your world view.

Are you authentic in your advice and approach? This question will echo in all relationships. A made-up facade of fake passion will out itself soon enough and the client will choose to move on rather than sustain the investment of his time and emotions with you. Remember well, he too is under pressure of delivery and is seeking to make careful choices. In Sobel's words, 'Be seen as part of your client's growth & profits, and they will never get enough of you. Be seen as a cost and you will be easily cut'. Therefore, never stop asking the question, 'What value am I adding to my client?' if you are keen to build and sustain a long-term relationship. Hark back to Cuban's words and understand them well - be invested in lifetime value and not an one-off quick deal.



SPOTLIGHT



Anuraaga Chandra

Global Head – Sales Drivers (Commercial Compressors)
Danfoss



Anuraaga Chandra, is the Global Head - Sales Drivers (Commercial Compressors) at Danfoss, a Danish multinational. Anuraaga joined Danfoss in the year 2004 and has held several leadership positions. Prior to Danfoss, he had a successful career with Blue Star Ltd. where he handled many senior managerial roles. He holds a degree in Mechanical Engineering from the University of Mysore, Karnataka. His passion for outdoor activities is a defining characteristic of his nature. He has an innate pull towards adventure and risk. He is a staunch supporter of 'Learning in the Outdoors' and has extensively made use of it to achieve his business strategies that ultimately brought him the desired results.

CA: What are the differences in acquiring & managing customers at the local level, versus managing those at a regional and international level?

AC: There are a lot of differences. In our kind of business, the product, product quality and value for money are taken as hygiene factors in both markets. Other than that, I would focus on four points:

A) **Technical Support:** Since India is a developing country, the pre-sales and post sales technical support makes a differentiating factor. Most often, the new technologies arrive in India after its introduction in some other part of the globe. Customers expect us to bring these experiences and good practices to local countries and ensure that the wheel is not reinvented all over again. This also helps in speedy product development for OEMs and in most cases, trouble free launch and business.

B) **Relationship Management:** Globally customers like enduring relationships. It converts purchaser-seller relationships to partners or collaborators. Ours is repeat business. A strong professional relationship (sometimes personal) backed by an even stronger service/support which exceed expectations is the key to acquiring customers. In this context, strong relationship communicates a robust ownership of the customer thus building confidence. India being a bit more of an emotional country, the relationship of the sales force/Key Account Managers or the management has a big influence in acquiring/sustaining the customer.

C) **Futuristic Products:** With most of the countries focusing on energy efficiency and green refrigerants, companies are evaluated on the speed of (innovation) introduction of new products, its affordability and sustainability.

D) **Value Addition:** Every company looks at what value additions you bring to the table. For example: availability, reliability, flexibility, etc. Developing countries need more of these value adds in comparison to matured economies who have high process orientation.

CA: As a senior professional in the manufacturing sector, what are the key differences in the marketing of industrial products/services to B2B clients and B2C customers?

AC: Decisions on B2C is generally made on impulse or looks of the product or price or word of mouth or branding, etc. The end user is generally the decision maker. But in B2B, there are a lot of decision influencers like Consultants, Purchase Managers, aggregator, contractor, wholesaler, etc. A detailed comparison of technical and commercial parameters are done and decisions are always taken in groups. B2B decisions are for a minimum of one to three years while B2C is for that day's decision.

CA: What are the challenges in establishing good and long lasting customer relationships at a global level?

AC: The hygiene factors explained above gives you the entry. The structure in every company has become highly dynamic. The structure and people do change faster than earlier thus making it challenging to sustain relationships. Multi-layered organisations, different geographical locations, cultural aspects, makes it even more challenging. The differentiated needs of different geographies increase the complexities. Sometimes language can also be a challenge.

Dedicated teams to large global customers could be one solution.

CA: In your experience, what are the mistakes that professionals today make in acquiring new global customers?

AC: Over commitment. It may be in any aspect, technology, efficiency, availability, etc. Acquiring a customer purely based on price is not sustainable.

The second critical aspect is that the foundation of the relationship should be based on what value addition we offer and recognition of the same by the customer. Communicating the value is the most challenging aspect.

CA: As a leading supplier of commercial compressors globally, how does your firm, Danfoss, manage customers spread across the globe? What initiatives are in place to ensure customer satisfaction?

AC: More and more customers are becoming big and global players by both aggressive organic growth and acquisitions. Danfoss has realised the need for being both global and local at the same time. While we have a strong global team headed by segment/divisional Presidents focusing on complete business, technology, products, innovation, digitalisation, branding, etc., the local needs are catered by a strong regional team headed by a Regional President who specialises on local support such as sales, logistics, application, marketing, people development, etc.

Customer satisfaction is the key element of sustainable businesses. Danfoss always strives to deliver the best customer experience. We believe in being **Fast** (speed in everything we do), **Easy** (ease in doing business with) & **Relevant** (all actions relevant to the customer's needs). We offer single point of contacts, a very efficient customer service team & application experts, the most advanced laboratories for testing, and many more towards constantly enhancing the customer's satisfaction/experience.

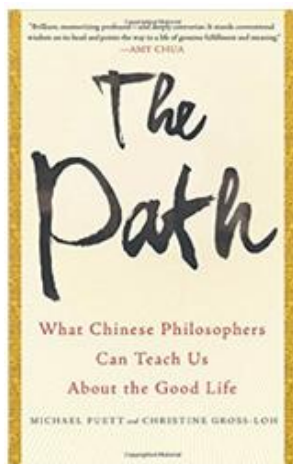


RESOURCES

The Path

What Chinese Philosophers Can Teach Us About the Good Life

- Michael Puett & Christine Gross-Loh



Michael Puett is a celebrated professor of Chinese philosophy and history at Harvard. Puett's Classical Chinese Ethical and Political Theory course has been touted as a life-changing experience and was lauded as the third-most-popular undergraduate class at the university. Simply written, full of examples that we can all relate to, this book gives us a sense of why the course is so popular.

The book focuses on the questions that most of us ask ourselves at some point or another in our lives. What is the purpose and meaning of life? How do I become a better person? How do I lead a better life?

The book is more of a condensed introduction to the thoughts of a few celebrated ancient Chinese philosophers and thinkers - Confucius, Mencius, Laozi, Zhuangzi, and Xunzi on some of these questions.

Each chapter draws lessons for modern life from a Chinese thinker or text. So, we hear about Confucius the great philosopher who lived from 551 BC to 479 BC, on the usefulness of social rituals; Mencius and the impossibility of making plans; Zhuangzi on "trained spontaneity"; Xunzi on preferring artifice to nature; Laozi on soft power.

The teachings of these sages do appear fresh and relevant to the world we live in, because these sages especially Confucius (who lived during the decline of the last great bronze age), lived in times of great turmoil and uncertainty. Their views are practical as they were concerned with helping ordinary Chinese live better lives. Some of the concepts explored in the book are described below.

Autonomy and being true to ourselves vs rituals.

With our modern emphasis on autonomy and being "true to ourselves", such rituals can seem to us as conservative and stifling. But, the authors argue, this is wrong: properly understood, these rituals are transformative, allowing us to explore other perspectives and mould our habits for the better. According to the authors, Confucius' views are rooted in a more realistic view of human nature. We tend to believe that, as rational beings, we know what is best for ourselves, and that "self" is coherent and stable. The ancient Chinese, however, understood that we are in fact fragmented and malleable and our actions are driven more by emotion and custom. We therefore do not become the best we can be by seeking some illusory "true self", but instead by "honing our instincts, training our emotions, and engaging in a constant process of self-cultivation". This, Confucius believed, we achieve through daily rituals ranging from saying thank you to ancestor worship and recognising and breaking our patterns of behaviour.

We live in a capricious world.

Mencius believed that how we live and make decisions comes down to whether we believe we live in a world that is coherent and stable or one which is unpredictable and capricious. Mencius believed in a capricious world and the only way to deal with this world is not to take decisions either completely rationally or only by emotion but to balance the head and heart by paying close attention to a situation, controlling one's emotions and taking small steps or decisions about how to behave and respond to shape the situation in one's favour as one navigates one's way.

Wu- wei (Non-action)

The great Daoist sage Zhuangzi frequently mocked Confucius. This eccentric and irreverent thinker emphasised spontaneity over ritual, and a return to nature over obedience to social convention.

Edward Slingerlands's book 'Trying not to Try' has covered this concept of spontaneity with much greater sophistication.

The most famous parable that illustrates this concept is the story of Butcher Ding.

"A good butcher changes his knife annually, since he uses to cut. A half decent butcher changes it monthly because he uses it to chop. But there are gaps between the joints and there is no thickness at all at the edge of the blade. By using what has no thickness and inserting it where there is no gap - there's lots of space to move about . That's why though I've been at this for nineteen years, the blade of my knife is as sharp as if it were just sharpened yesterday."

Butcher Ding understood trained spontaneity.

Through this parable and many others, we are introduced to some influential Chinese philosophers and to the credit of the authors they have done their best to make this introduction easy yet relevant.

In the world we live in, how could the wisdom of these ancient Chinese philosophers help us become better than who we are?

By becoming aware of a few 'home truths' and acting upon these truths. To abandon the search of our true self in the hope that once we do that, we would be free. There is no true self to discover. Our patterned behaviours and rote habits get in the way of our caring for other people. It is necessary to break these patterns in our day to day lives. In our everyday interactions with customers, colleagues and family, we will be able to influence every moment of engagement. In the process, we become more 'attractive' to others. This in turn will open a constellation of possibilities for all.

The world is capricious. What does that mean? Your neighbour looks after his parents does not mean his children will look after him. Your efforts do not always produce results you expect. People who do 'bad' things sometimes get away scot free. Recognising the nature of the capricious world means accepting these outcomes. Yet, at the same time, one can thrive in a capricious world. To do so, one needs to be willing to get into any situation resolving to be the best human being one can be. Not because of what one will get out of it. Rather, to affect others around one for the better regardless of the outcome. We can cultivate our better sides and face this unpredictable world, transforming it as we go.

FEEDBACK

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