



# Seeds . . .

Issue Number 11

*While Customer Focus is a key driver of revenue growth for many of our clients, it is difficult to define and measure. The Allegheny Marketing Group defines Customer Focus as “putting the customer first in your business decisions, processes and activities.”*

## Is Your Company Customer Focused? The Short Test.

While there are business indicators of customer focus, the following short test will provide you with an insight on how customer focused you are.

1. Does the highest level manager in your organization spend one-third of his/her time with customers? Yes \_\_\_ No \_\_\_
2. Do you interrupt your internal staff meetings to take phone calls from customers? Yes \_\_\_ No \_\_\_
3. Does your Annual Report mention “customers” at least three times in the first four pages? Yes \_\_\_ No \_\_\_
4. Are your visitor parking spaces closer to the front door than those reserved for top management? Yes \_\_\_ No \_\_\_
5. Does your voice mail system get a customer to a live person in less than 10 seconds? Yes \_\_\_ No \_\_\_
6. Do you spend more time preparing for customer visits to your location than for internal meetings with top executives? Yes \_\_\_ No \_\_\_
7. Is your company organized by market or customer segments (versus product segments)? Yes \_\_\_ No \_\_\_
8. Do customers know how and where to reach key employees on a 24-hour basis, seven days a week? Yes \_\_\_ No \_\_\_
9. Do you or your fellow employees keep a record of your customers’ expectations regarding important business areas? Yes \_\_\_ No \_\_\_
10. Is the best office in your building reserved for customers? Yes \_\_\_ No \_\_\_

Do you think you are Customer Focused? You might want to use the following to grade your company.

### Grades

“Yes” to –

- 7 or more questions -
- 4 to 6 questions -
- 3 or fewer questions -

You are highly Customer Focused  
You may be Customer Focused  
You may not be Customer Focused

# Market Research - A Case For Customer Focus

An analysis of twelve market research studies conducted by AMG provides some compelling evidence Customer Focus draws market share. The twelve studies involved manufacturing industries such as chemical, electronics, textiles, and both heavy and light equipment manufacturing.

Respondents in the studies were asked to rate the importance of approximately twenty factors in their selection of suppliers. They were asked to rate how well their current suppliers were performing on the twenty factors.

The factors were categorized into three groups as follows:

- I. Factors related to Product Quality
- II. Factors related to Price & Delivery
- III. Factors related to Responsiveness

The results of our analysis indicate:

<u>Category</u>	<u>Importance</u>	<u>Supplier Performance</u>	<u>Variance between Suppliers</u>
	Low ----- High	Low ----- High	Low ----- High
I. Product Quality			
II. Price & Delivery			
III. Responsiveness			

There was little variance between any of the twelve studies. It was really unanimous – product quality was most important in every study – but all respondents were completely satisfied. Responsiveness was also important and respondents saw wide variances among suppliers.

A comparison between suppliers’ market share and their performance ratings in Category III showed a direct correlation. Companies who were most responsive already had the highest market share.

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# Marketing Thoughts

Quotes from outstanding thinkers of the past can often provide insight to the issues we have today. The following quotes may be of interest.

“Marketing is far too important to leave to the marketing department.”

- David Packard

“The single most important thing to remember about any enterprise is that there are no results inside its walls. The result of a business is a satisfied customer...inside an enterprise there are only cost centers. Results exist only on the outside.”

- Peter Drucker

“Just about every company thinks about itself as market oriented. It’s confident it has the strength to compete with the wolf pack, but in reality is weak and tends to follow the shepherd.”

- Ben Shapiro

“Would you tell me, please, which way I ought to go from here?” asked Alice.

“That depends a good deal on where you want to go,” said the Cat.

“I don’t care where,” said Alice.

“Then it doesn’t matter which way you go.” said the Cat.

- Lewis Carroll

“The globalization of markets is at hand. With that, the multinational commercial world nears its end – and so does the multinational corporation.

The multinational and global corporation are not the same. The multinational corporation operates in a number of countries, and adjusts its products and practices accordingly... at high relative costs. The global corporation operates as if the entire world were a single entry; it sells the same things in the same way everywhere... at low relative costs.”

- Theodore Levitt

“The economic system is more and more like one single interacting organism.”

- Chairman, Sony Corporation

“A company with the best distribution system and the best service will win all the hurdles – because you can’t keep an advantage in other areas for long.”

- Lee Iacocca

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## Marketing Thoughts - *continued*

“Nothing good lasts indefinitely, because others will want to share it.”

- Landes

“High-growth companies succeed by identifying and meeting the needs of certain kinds of customers, not all customers, for special kinds of products and service... business academics call this market segmentation. Entrepreneurs call it common sense.”

- Clifford and Cavanagh

“If you knew Time as well as I do, you wouldn't talk about wasting it.”

- Lewis Carroll

“The race isn't always to the swift, nor the battle to the strong, but that's the way to bet.”

- Damon Runyon

“The first sustaining edge of excellence – take exceptional care of customers via superior service and quality.”

- Tom Peters and Nancy Austin

“The true nature of marketing is not serving the customer ... it is outwitting, outflanking, and outfighting your competitors.”

- Al Ries and Jack Trout

“Strategy: Good luck rationalized in hindsight.”

- George Steiner

“Planning: Designing a desired future and identifying ways to bring it about.”

- George Steiner

“Planning: It's difficult to look further than you can see.”

- Winston Churchill

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Please send any comments or suggestions to:

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