

Success in the crisis - Customer Proximity and Customer Value Part I

Being close to the customer and creating value is part of **the 101 of a good businessman or -woman**. In crises, however, this is particularly important for **three reasons**:

1. Your **current customers are your livelihood**. While in normal times you can change customers and acquire new ones, this is now no longer or hardly possible - unless you produce products that are urgently needed currently. Creating value for the customer protects yourself, especially in times of Corona. **By helping customers you help yourself**.

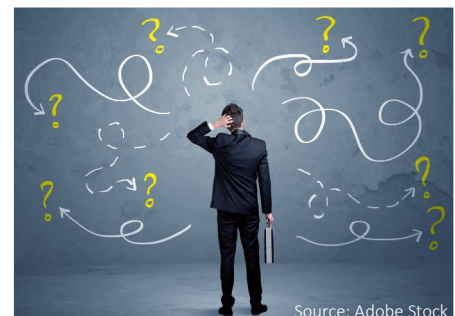


2. All forecasts indicate a deep recession, as a result of which many companies will go bankrupt. But before this happens, **competition will intensify, including price wars**. Your customers will be able to choose their suppliers. Therefore, you must **increase the switching barriers for your customers**. The value that you create for the customer binds as does the **emotional and personal relationship**. You should also strengthen this relationship.
3. In a crisis everything is deceptive and we are moving in a thick fog. The customers are your **sensors downstream** in the value chain, allowing you to know how your business will evolve. Your customers' markets decide on your opportunities and which strategies you should choose. **Your customers are your fog lights** that let you see further. You should use them.

This is easier said than done. Especially in times of crisis, companies forget about customers because they are overwhelmed by their operational problems. That is why you should always remind yourself of them. Make it a routine and start the day with **half an hour of reflection** on what you can do for your customers and how you can be close to them.

What does the customer want? - A central challenge

One should not be misled by **the simplicity of the term "customer value"**: On the one hand, it is immediately understandable, but on the other hand, what is the value we create, companies often wonder? Nothing is often **more mysterious and more difficult to grasp than the value one creates**. One can try to determine the value using "tools", but often these are only auxiliary constructions.



In many cases, the value is very difficult to define. Even the customer cannot describe it accurately. This is why **many good products** are created by rather **coincidental and concrete observations on site**, such as during customer journeys, than logical deduction.

It is not without reason that Peter Drucker, the doyen of management, recommended: "*The value concepts of a company's various customers are so complex that only the customers themselves can provide information about them. Management should not even attempt to guess the answers - they should always approach the customers themselves with systematic research*". (from: New Management Practice).

The best way to work out the value for your customer is therefore to **get the customer to talk and to let him or her describe his or her problems**. But there we are facing **several challenges**:

1. The customer is often **not yet able to define his or her problem** exactly.
2. The customer must see a benefit **in a conversation with you**, to tell you about his or her concerns.
3. **"The" customer does not exist**. Especially in the B2B sector, the customer company consists of many decision-makers and information providers. It is well-known that whereas costs are the priority for purchasing, quality counts for production and the resilience of the supply chain matters primarily for logistics. Everyone defines value differently.

In order to meet these challenges, a well-developed questioning technique and strategy of how to obtain information about the value created are important. More on this in part II.

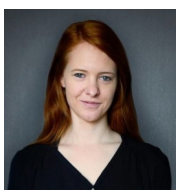
Written by the **PURE Management Team**:



Wolfgang Lassi

Associate Partner at PURE Management Group, author and expert for strategic and organizational transformation processes.

Contact: wolfgang.lassl@puremanagementgroup.com



Wiebke Junge

Associate in a public affairs consultancy in Vienna. Various internships, among others at International Anti Corruption Academy (IACA) in Laxenburg and the Department for Urban Development and Environment (BSU Hamburg). Consultant at PURE Management Group since 2020.

Contact: wiebke.junge@puremanagementgroup.com

PURE Management Group advises people and organisations worldwide in solving complex management challenges: in the areas of strategy, structure, culture and leadership - methodically through consulting, project management, workshop design, training, coaching and sparring.

For more articles, please visit our Website: <https://www.puremanagementgroup.com/>