

# Analysing Customer, Client and Stakeholder Relationships Post-COVID



**No one can guarantee how the economy, customer retention and employment trends will recover after the COVID pandemic has finally run its course. A state of fear exists and creates almost a collective phobic emotional state with staff, customers, clients and stakeholders. Philip Atkinson highlights the strategies and tactics you can apply to put yourself in the best possible shape organisationally.**

**W**hat will customer relationships be like post-pandemic when a degree of normality returns. We need to adopt an even more rigorous approach to organisations' relationships with key stakeholders, rather than focus on client or customer relations no matter the sector we operate within.

When I started researching this piece, it was very tempting to focus entirely on the end-user, the customer or the recipient of services because, without the customer, we may not have a business. I wanted to go further than that and expand our thinking about the customer beyond the commercial sector, and make it

applicable to those in the public and third sectors.

The majority of customer-centric thinking applies to all sectors. Many of the points originate from the science and research in customer relations and are equally applicable to forming vital stakeholder management and regulatory relations.

## **Expanding Thinking – Who is the Customer?**

Depending on the sector and type of organisation in which you work, your 'customer' could be the client, patient, the end-user, a 'real' paying customer, a member of a network or society, a citizen,

a resident, pressure groups, a student or pupil, or regulatory or statutory groups. There can be a problem for those operating outside the commercial world, simply because some dislike the idea that they are selling their services or memberships to their users, members or associates. For those who don't quite get the concept of applying research in customer relations to their organisation, they should think of those who use their services as stakeholders

### Reframing Stakeholders

The term stakeholders encompasses customers, clients, citizens, users, donors, recipients, suppliers and regulatory bodies, and we should validate their role because we cannot exist without their support. These are the variety of people or organisations we influence or receive something of value from us, including internal customers. It may be valuable to develop strategies that can be instantly applied equally to all customers by your vision, mission and market segment.

### What About Staff?

We are not assuming that everyone in your endeavour meets with the external customer. A large percentage of staff never actually meet with the end-user at all. Some may have infrequent contact. In this case, those staff and managers may not think that 'stakeholder focus' has anything to do with them. They could not be more wrong. We would ask them to consider how they fit into the internal supply chain within your organisation. Thinking in this way allows you to believe that the next person, people or team that depends upon you for the quality of work you produce is, in fact, the 'internal customer'. And although this staff member may never communicate with or meet the end-user or stakeholder, they may be touching their lives somehow and should be supporting those who meet and deliver directly to the client.

### Adopting a Stakeholder Focus

In the private or commercial sector, the customer is invariably the end user. In these circumstances, the organisation is dependent upon them for the continued success and existence. If you don't have customers or clients in the commercial sector, you don't have a business. This fact concentrates the mind and emphasises the importance of customer or external stakeholder focus, especially as we emerge from the pandemic.

### Undertaking your Stakeholder Analysis

You may want to consider undertaking a stakeholder analysis for your own business. To do this, list your core stakeholders. Then map where they fit on the stakeholder grid (Figure 1). The two dimensions are based on 'how much interest they generate in you' and 'how much power they have over your operation and its effectiveness. Then develop a four-pane grid.

Now you have assessed where the stakeholders fit in the grid; you have to decide where you are most at risk and where opportunities arise for you. You can only achieve this through working collaboratively through the process with the key players and those who are willing and committed to delivering change in stakeholder relations.

### In all Sectors

We think it's pretty clear that organisations in all sectors cannot afford to deliver less than what the client or service user expects. To



Figure 1: Stakeholder Assessment

do so would be folly and would alienate the organisation from its true purpose. So, we will be looking at how best to anticipate and deliver to those expectations using some exciting work from the commercial sector.

At the end of every day, we are either better or worse as service providers. And we can only really get a full measure of how well we are doing in meeting their needs and expectations if we ask them, actively listen to their responses, and act to meet their expectations.

### Look in the Mirror

Post-COVID, we need to reinvigorate our curiosity. Many organisations don't know what their end-users or customers think of them, so they cannot change those things that put their continuation or service provision at risk. They may be providing a less than adequate service, wasting resources and jeopardising their future. If they continue along the same route, ignoring their consumers' specific needs and failing to deliver to requirements, their organisational efficiency, effectiveness and continuance are in doubt.

### Mindset of Curiosity

We believe the organisation must adopt a mindset of curiosity and explore what their public and end-users think of their service delivery and how much they trust them. They need to take a good look at service delivery and examine how they deliver it to establish whether they need to become more externally focused and deliver more effectively.

The more one listens to end-users, the more one learns. There are very few occasions when organisations don't learn from surveys with their clients or service users. The process can be a precious experience and provide direct input for revamping and redesigning the infrastructure, support, systems and processes that provide service delivery. It's interesting to ask, 'what's it like to receive our service?' Without asking and listening to the answer, you will never be able to improve the infrastructure of how you organise and deliver.

### Reputational Risk

Initially, it may appear that Stakeholder responsiveness is not as important as in the private sector, but you would be wrong. It could put your reputation at risk in the short-term and the middle to the longer-term with your immediate end users and funders or investors, regulatory bodies, key stakeholders, and business partners. Stakeholder or client management is a strategic issue and too important a subject to be left to chance.

## Risk Register

You are probably unaware that unhappy and unsatisfied end-users, clients and stakeholders rarely complain to you directly about inadequate service. You may never be aware of their true feelings towards you. Your client or end-user may not have the choice to stop dealing with you as a supplier of services, but those who are dissatisfied with the service they receive will certainly spread their dissatisfaction.

From research in customer metrics, we know that unhappy clients or customers typically share their poor opinion of a service provider with eight to ten others who may also be recipients of the service. Also, 13% of these 'unhappy users' spread the word to as many as twenty others. This can be bad news for the whole business, even if you delight other recipients or segments of your business. You don't want this happening with critical stakeholders, donors, and membership or regulatory groups.

## Bad News Travels faster than Good

If you have created an excellent experience for stakeholders and users, they only actually spread the good news to as few as five people. For every bad experience, you must create multiple outstanding experiences for others to balance out any negative viewpoints and emotions.

## Negative Emotions

We know the problems that can escalate from poor relationships with others.

- Investors who support your organisation can veto your best efforts.
- Volunteers can quit and severely put service provision at risk.
- Regulators can halt new initiatives and projects if they have not been carefully scoped and reviewed, and due diligence applied.
- Key stakeholders can influence your operations by withdrawing their cooperation.
- Regulators can suspend your operations.
- Community groups can become politically unfriendly and damage your relationships with governmental and non-governmental bodies and NGOs.

At the end of business each day, you are better or worse than your competitors. People form opinions and attitudes towards you and express these as critical emotions, which can severely disable your operations.

Paul Ekman, an established researcher in human emotion, claims that, as service providers, we all create positive or negative emotions with our public. The five key emotions he identified are primarily negative and include anger, disgust, fear, sadness and finally, enjoyment. Please note that these emotions will vary in intensity from mild to severe. Anger may start as a 'mild irritation with poor service delivery' or 'being peeved', escalating to 'dissatisfaction, 'minor outrage', and downright 'anger' if their needs and expectations are seriously not met or rejected. The critical issue is that things can get out of hand, and what may start as a minor problem can escalate out of all proportion.

If you don't create satisfaction, then service recipients may display some of the following:

**Anger** – when we feel something blocks us and we are dealt with unfairly.

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**Disgust** – the intensity can be high or low, triggered by something which is not right and which might devalue us.

**Fear** – relative states of minor trepidation to full-scale worry and anxiety, if people feel neglected or undervalued.

**Sadness** – this is an initial disappointment, resignation to not being treated as necessary, or misery and powerlessness.

However, of course, we can deliver excellent service, which results in every positive vibe experienced with enjoyment - which relates to pleasure, joy, excitement and pride in the consumption of what you provide.

From this illustration of the five core emotions, you can see plenty of opportunities to create more positive and avoid negative experiences. What is important is that these emotions can be created at any level where the organisation touches the customer, service external agencies or groups. Many of these emotions will be outside the control of the senior team, so your senior staff, managers, team leaders have to ensure that the requisite positive behaviours are projected, maintained and communicated at every level within the organisation.

### Issues in Effective External Relations

Let's look at some of the fundamentals of managing effective external relations and then progress to how you can use journey mapping to improve your services.

### Business Continuity

Let's face it; survival is not compulsory. It does not matter what business you are in; any organisation should be intent upon growing its donor, client, membership, customer or service user base. Central to this approach is the ability to push retention and acquisition rates ever higher.

### Questions

To be vigilant and manage your clients, donors or end-users and external agencies more effectively, below are questions you should ask if you want to improve service delivery.

- How do you currently segment your clients or users? Are they regionally, geographically or demographically segmented?
  - o How could you benefit from using demographic segmentation to deal with your users or clients?
  - o At the same time, ask 'are we using various strategies in all segments to manage customers and end-users to the best effect'?
- How do you keep in contact with your stakeholders? What other methods could you employ that would be more accurate, faster, and delight these groupings?
- How do you proactively manage the relationship with your stakeholders? How can you develop the connection from their current 'emotional' attachment to you to more mature ones, where they become an advocate for your organisation?
- Where are you most at risk from losing or displeasing your key stakeholders? What causes this potential displeasure, and what action ensures that this is prevented, or at least minimised?
- Do you know how much it costs to service your stakeholders? How do you measure the value you create for them? Is this economical?
- How do you track your relationship with your stakeholders?

What events or incidents are trackable to warn you of their dissatisfaction if the connection is at risk?

- How long does it take to convert interest in your organisation from being an interested observer to demonstrating absolute loyalty?
- How do you calculate loss when you lose clients and end-users who migrate to other suppliers or stop using you or being a member or investor of your organisation?
- What are the warning signs that your staff members, volunteers or donors are migrating their interest, loyalty and efforts elsewhere?
- Precisely, why do interested parties as stakeholders move on or stop being part of your endeavour or stop using your services?
- Where is the breakdown in the emotional relationship with your clients, stakeholders and users? How are you attempting to redress the balance?
- What strategies have you adopted to win back loyal users, members etc and how does this translate into your marketing activities and penetration?
- What's the lifetime value of your clients and users etc in each segment of your business?

As was stated earlier, not everyone speaks with the key stakeholders, and those staff who are currently not 'stakeholder facing' should be 100% supporting those who are. When undertaking your research, you may find that your externally facing processes are highly sophisticated. Still, your internal processes may not be fit for purpose, perhaps bureaucratic, slow and delivering below par. You may find that many methods are outdated and unsuitable for today.

In long-standing organisations, you may also find that internal processes must be re-engineered entirely to anticipate customer and regulatory requirements. It is not good to have slow bureaucratic processes hindering client satisfaction.

### Precision in Research – Stakeholder Journey Map

We can only understand our stakeholders', donors' or users' needs if we devote time to defining them with precision, which means looking at things from their point of view.

Let's start with the requirements. It is best to start with a blank canvas and avoid making assumptions about their journey as they progress through your organisation's processes. Start by defining precisely what their needs are, rather than what you think they are.

When a proper mapping exercise is completed, you, as the supplier, may discover that you don't have an accurate road map of the sequence of steps needed to deliver to the satisfaction of the person or group walking through your organisation. Sometimes, when you undertake the Mapping exercise, what you think is less important than what others think.

You might find that what you considered essential to stakeholders does not matter to them and vice versa.

### What do your clients experience when they come in contact with you?

First, we would want to map how your stakeholders contact or communicate with you.

- How do they currently contact you? What is their preference?

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- Do they prefer a service centre, digital communications and portals, an app, a Facebook Group, user portal, donor or media centre?
- Why do they contact you? Is it for positive reasons or to resolve a problem that they are facing?
- How do your key specific stakeholders see you, and what is their experience?
- When externals contact the organisation, make an enquiry or want information, support or follow-up, what do they experience? How is that experience manifest? Is this an instant response, a call centre, webchat, personal contact, a third party, or via more formal means through the traditional point of contact receptions and welcome centres or media offices?

Find out now what it is like to receive the services you provide. Does this experience leave stakeholders wanting to do interact with you again? What emotions does this contact generate? What do clients and customers think?

If you want to know precisely how your key externals feel about you, external journeying or experience mapping is a powerful tool. It's a great technique to help you improve external and internal service providers and resolve recurring customer complaints issues that impact effectiveness. Before we go through that three-stage process, let's talk first about stakeholder requirements and see if we can get some swift quick wins.

### Requirements of Stakeholders

What are the requirements? It depends on whether you provide products or services. With products, you must ensure they meet the physical needs and are fit for purpose. If you do have a product problem, investigate quality management tools and solve it. Let's look at the more service-oriented requirements.

### Information

Has specific information or data between the stakeholder and your business been accurately relayed or communicated?

- Regarding this information, is there a precise match between your perception of what customers need, what they want, and what is important to them?
- Is data recorded and protected to meet commercial or statutory standards such as the FCA and generally GDPR?

### Decisions

How about the quality, accuracy and robustness of critical decisions in your supply chain? Who are the decision-makers?

- How are decisions made about delivering to external needs?
- Do your externals need to be consulted and involved formally in the decision-making process?
- How robust is your decision-making process, and does it reflect the values of how you do want to transact business?
- Could the process be more straightforward, accessible and quicker, and decisions be directed to the first point of contact?
- Have you designed the process to be user-friendly and geared to reduce bureaucracy and unnecessary multiple lines of approval or authority to support the client?

### Standards

- Are standards reasonable, end-user, and stakeholder focused and shared amongst all staff involved in the process?

- Now, how about timing? What is the total cycle time from initial contact with the organisation and delivery of whatever you provide?
- Could that be shorter, more efficient? It is best to share these viewpoints across the organisation to ensure that all functions are delivering coherently.

### External Experience Mapping

Now let's engage in the journey or experience mapping with which key people and groups engage when encountering and working with your organisation. Using the questions posed above, you should have a good idea of the stakeholder experience and have mapped and documented this.

#### Step 1 – Objectives

Define your objectives and focus on what you want to achieve before you start. Concentrate on that specific part of your stakeholders' experience or problem. If necessary, you can expand your scope later. Define the fundamental difficulties and scope them out to ensure you have captured the real issues. As you get deeper into your analysis, you will stay more focused on what you are trying to achieve and not be pulled away to other areas. Focus on the core problem and opportunities for improvement and avoid distraction.

#### Step 2 – Key Steps

Outline and list the critical steps of your stakeholders' experience with the issues you are trying to resolve. You may want to use a simple means of doing this using 'Post-it notes' and construct a simple process map. You may want to compare this with any notes on the customer experience record.

It's essential to consider it from your stakeholders' perspective, not yours.

If you're looking at the whole stakeholder experience, these stages will describe the total lifecycle of their experiences with your organisation, rather than your perception of it.

#### Step 3 – Touch Points

Identify stakeholder 'touchpoints' or 'moments of truth'. These indicate where the stakeholder comes in contact with the organisation and their personal experience from these touchpoints. These can be positive moments of truth which are 'magical' and beneficial and hold the organisation in a good light, or 'moments of misery,' which are harmful and lead to dissatisfaction. Now it's time to map the actual experiences.

From here, you must develop a list of actions to improve service delivery to core Stakeholders. This may require you to rethink process mapping, how you deliver to your client, and how you interact as an organisation.

#### Summary

This article set out to support you to engage more meaningfully with clients, customers, external agencies, stakeholders, donors and service users. Much of this work is based on research in customer relationships and PR in commercial organisations. Researching with external relations and critical stakeholder groups, demonstrates a superior level of engagement and indicates the mature bond you want to form with them.

There is much research that can be used to best effect in any

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organisation. We outlined the importance of working with all stakeholders, from customers, donors, regulators, service users, and community groups. Allocate them to the stakeholder map, where you can identify just how important they are to you, using the two dimensions of interest and power.

We built on that work looking at the internal linkages – supporting the view that we need to be just as committed internally to develop superior relations with our staff and the various functions that support the work. We encourage a mindset of curiosity and taking a good look in the mirror at the services delivered by your organisation and the reputation risk of failing to deal with issues that are blocking effectiveness.

In particular, we focus on avoiding the generation of negative emotions resolving issues, promoting good and positive relationships with core stakeholders, and posing some in-depth questions on the way. But this only happens when you analyse these relationships, which is critical to moving forward in difficult times.

#### About the Author

*Philip Atkinson specialises in strategic cultural and behavioural change. For the last 25 years, he has worked as a consultant supporting strategic development, leadership, organisational design, post-acquisition integration, Lean six-sigma, quality management and culture change. He has partnered with various blue-chip companies in industries ranging from pharmaceutical to genetics, the automotive sector to finance and banking and from NHS bodies to Local Authorities and the Third Sector. He regularly presents at conferences and workshop sessions and has written seven books on change management. His articles, books and blog can be accessed on [www.philipatkinson.com](http://www.philipatkinson.com) Philip is also of Director of Learning Strategies International Ltd and Philip Atkinson & Co. Ltd Tel: 0131 346 1276 M: 07779 799286. He can be contacted at [philip@philipatkinson.com](mailto:philip@philipatkinson.com)*