

Proactivity... Customers are Demanding it

Spell-check is a wonderful invention, but every time I type "proactivity", the computer instead offers me "proactively, reactivity and proclivity". It doesn't recognize the one word that customers are demanding.

If "proactivity" were listed in the latest version of my computer's electronic dictionary it would say something like: using your anticipatory skills to provide something without being asked; holding yourself responsible, empowered and accountable for actions related to events that have not yet occurred.

When I talk to my customer's customers, I'm hearing different stories from five, two or even one year ago. They still want "free, perfect and yesterday" because of the pressures they're facing from their value chain, but these are entry markers only. Words like "vendor" are starting to disappear from their lexicon. It connotes the mechanical vending machine where you put your money in and wait for service. When it's slow, you give it a kick to hasten it along...or to vent your frustration. They are reducing their supplier base and customers are becoming as dependent on suppliers as suppliers traditionally have been on customers.

Customers are looking for business partners who will act as long term allies, business consultants and strategic managers of commitment and communication. The supplier's product is obviously important, but in this era of commoditizing, product/quality/price differentiators are few and short-lived. One individual said to me he's "looking for a partner who will help his company – and him – succeed in their business...oh, and yes, the product has to work too".

Another of my customer's clients said, "You know this industry inside out. You have ears to the ground at all elevations. You've met with many of our employees. So, why are you sitting there waiting for me to ask you for something. I'd like you to come to me and offer me your insights and ideas on how we can solve problems, leverage opportunities and prevent potential problems. Be proactive."

One manager in the supply chain said,

"The most important thing to our employees is get the product on time, at the right quantity, and if a component doesn't come in on time, ensure there's proactive communication from our partners so we can communicate to our customer partners".

For readers driving Honda and Toyota vehicles, a supplier to these quality-conscious car manufacturers said, "Quality expectations are high and cost is always a factor. Continuous improvement is the biggest thing in the Japanese environment. We are always looking for suppliers to approach us with ideas without us dictating to them."

Another of my customer's client in the automotive industry said he was really impressed when one of his supply partners called him and asked him for the names and contact points of sorting specialists in the event that product might be to be recalled and manually inspected at some later date. My initial thought was that this customer would be reluctant to deal with a supplier who anticipated defective quality. On the contrary, the individual said, "Quality is critical, but sometimes breakdowns occur. Nobody wants a recall. But if it happens, I have more faith in the guys who have contingency plans in place. I want them to set up systems in advance to handle potential quality problems. I know my urgency is their urgency. Responsiveness and proactivity are the watchwords."

Another individual said to me, "If you don't have problems, you're not looking deep enough. Why would I want a business partner who does just what I ask them to do? I need people who are going to look, think and act."

A big name supplier of office equipment said, "A key ingredient is for employees to have more than a cursory understanding of customers...what is driving our company and what our company is facing in their competitive environment."

Another voice in the customer wilderness revealed the following: "I know that some of our other big key suppliers are always suggesting and improving. If we expect cost-downs from these suppliers they always have alternatives and suggestions on how to get there. We expect more proactivity.

Other suppliers have put in suggestions to automate a process to remove a physical body, which has given us a cost reduction. We've had suppliers reduce cycle time or the number of operators for a particular part. They've volunteered rather than waited for us to ask for cost reduction. When we award business to a supplier, it's awarded based on a 4-year cost-down, but we expect the supplier to better that cost-down, not just meet it."

Who needs to be proactive? The sales people? Upper management? Yes, yes, and everybody...in reverse order to the questions. There is no job position from which the adjective "proactive" is exempt. So, if proactivity means keeping your eyes open, and courageously acting before a request is made, how does an organization get started?

It begins with senior management conveying the message loudly and frequently in no uncertain terms that the job of every single employee is to hold themselves responsible for their customer's success. A subset of this message is the directive, "go forth and learn about your customers". You can't be proactive if you don't know what to be proactive about. Ask questions to discover their challenges, their weaknesses, their strengths, their opportunities, and learn what their customers are saying. Find out what their competition is doing. An employee who isn't asking questions isn't fulfilling her job mandate. Coach employees by ensuring that they have time, between processing forms and paperwork, to make these customer connections. Create opportunities for employees who have gained customer insight into sharing new-found knowledge with colleagues. Design some visual triggers and reminders for employees. One idea would be a huge Monopoly-type board for every customer. For every piece of information employees learn and for every proactive action they take, they get to proceed around the board. Publicly acknowledge employees' proactive suggestions to show others that your company is serious about proactivity. Encourage your customers who have benefited from employee proactive ideas and solutions to respond to show how these ideas have helped them in their marketplace.

Proactivity...make sure it's part of your company's language.

