

The ROI of Making the Connection:

How shifting focus from tactical to strategic Customer Partnerships delivered 162% ROI within 90 days



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There has been improvement! My procurement members have taken on a proactive approach.

— AVP of Team

Getting work done for internal customers is arguably just as important as delivering for external customers.

As a team player, it's critical to complete tasks on-time and to the expected standards. We focus on correctly completing assignments, take care to ensure no task boxes are left unchecked, and commit to doing it all with a smile. Often, we even support our colleagues by sharing hacks to get paperwork done faster, while still following procedures.¹

And yet, while this type of heads-down focus gets the work done, it can inadvertently create silos within teams. When employees emphasize the value of tactical functions instead of creative critical thinking, they quickly lose sight of the bigger picture and the purpose behind the work being completed.

Compliance and adhering to correct processes and policies are pivotal to how our performance is perceived. But, if we aren't careful at managing internal customer relationships, our personal motivation² and perceived value to the organization becomes diminished — especially if we are viewed as a tactical resource versus a strategic partner.

Research consistently demonstrates that there is a financial link between happy employees and happy *external* customers.³ And, it's no surprise that happy customers impact the bottom-line.

But what about *internal* customers? Can positive internal customer partnerships impact the bottom-line, too?

Our team wanted to uncover exactly *what* customer-partnership skills make an impact, *how* those skills truly make a tangible change within organizations, and *why* it leads to monetary gains.

¹ Lindsay McGregor and Doshi, N. (2017). *There are Two Types of Performance — but Most Organizations Only Focus on One*. Harvard Business Review Online.

² Sharon K. Parker, Andrei, D. and Van De Broeck, A. (2019). *Why Manager Design Jobs to Be More Boring Than They Need to Be*. Harvard Business Review Online.

³ Sagi Eliyahu (2020). *The Impact of Employee Experience on Customer Experience*. Forbes Online.

“ *This has gotten me in the room and getting beyond the gatekeeper. My conversations are with the SVPs and the VPs and this exercise is making our sphere of influence greater.*

— Team Member

To further explore the reasons *why* investing in building customer-partnership skills makes a financial impact for organizations, we conducted an Impact Study, “Making the Connection: Customer Partnership Program” within an organization.

The outcome was eye-opening. The study resulted in team members connecting with their customers in a new way, talking not about projects and progress but about the customers’ business goals, challenges, and ways to strategically partner together for positive business results. Together, they discovered new, creative ways to strategically partner and deliver positive business results.

Team members began to build trust with their internal customer partners. That trust turned into the team sharing the different ways they could be of service to one another, working towards collective improvements — together. The results began to add up, offering cost, time, and energy savings, and replacing frustration with partnership.

The ripple effect amounted to \$89,088 in organizational gains and a 162% ROI on the Impact Study program within three months.

What We Did

ABOUT THE ORGANIZATION

The target of our Impact Study is a district representative of the largest central bank in the United States. Based in Dallas, Texas, this organization has more than 12,000 employees. It’s well-respected and plays an important role for citizens and communities.

The leader of the organization has a long-standing reputation for being well-educated and business-savvy. As a strong proponent of personal and leadership development, this leader was an instrumental catalyst for identifying the need to invest in developing strong customer partnerships.

THE CHAMPION FOR CHANGE

Given the highly customer-focused industry, the organization has a rigorous compliance culture and sets a high bar for success. The bank’s well-known reputation for excellence makes it an attractive prospect for top performers.

Prior to the Impact Study, the organization was on the cusp of implementing system-wide technology changes within HR, Finance, and Procurement. In preparing for the change, they recognized a need to build a culture agile to change, to inspire growth mindsets, and to increase the appetite for risk.

The challenge was that the culture reinforced and rewarded employees who focused on the tactical, routine aspects of their roles resulting in siloed proficiency reducing the opportunity to connect to of the organization’s needs.

In order to create cultural movement, the organization was in need of a champion to support employees; first to break the learned rules of the present culture. And then

to develop the important competencies essential to lead change, foster community, and create connection.

The leader of the Procurement team in Financial Management was, and continues to be, the advocate for change. He led the way with genuine interest in giving individual contributors the opportunity to elevate their personal leadership. He combined this with his mission to align the team to the organization's vision to deliver premier financial services, and to be the service provider of choice.

THE RIGHT PARTNER FOR SUCCESS

The work required building a solid foundation to support the upcoming technology implementation. The Procurement team and its internal customers were scheduled to be the first teams impacted by the technology changes, and in turn, needed the greatest level of support.

The champion's commitment to the project translated into an important realization that they needed a partner who could empower the team and to transform the ways in which they partnered with their internal customers, taking them from "good to wow."

Moreover, an internal focus group's data revealed that the organizations internal customers were frustrated by constantly changing staff, not knowing who to go to for questions, lack of timeliness to respond, and inflexibility. These concerns shed light on opportunities for improvement and fueled the drive to build a foundation of trust and strong relationships before the new changes were implemented. Yet, even though the desire to improve was strong, the team was unsure of exactly how to achieve the desired outcomes on their own.

Debora McLaughlin, CEO of The Renegade Leader Coaching and Consulting Group, was the ideal partner. A certified Change Catalyst, she is known for turning future untapped possibilities into current realities — and doing it fast. The Renegade Leader centers on action-based disruptive thinking. This helps leaders and their teams build clear communication and new mindsets to ignite efficiency, coherence, productivity, and innovation that produces positive business results.

Procurement's role is task-oriented by nature. The primary responsibilities of the team are ordering, sourcing, contracting and managing suppliers and vendors. In addition, the team must meet demand by providing goods/services at the right time, for the right price. What would happen if Procurement's role shifted to building competency and capacity within the team so that it could focus on organizational goals and truly connect with the customer?

The Making the Connection: Customer Partnership Program was designed specifically to target the exact behavior changes needed to successfully deliver improvements back to the team and the organization.

“ *Procurement is a repository of information and the Knecting with You was helpful. I can show where I can save money due to economies of scale. I was able to save one of my clients money based on economies of scales.*
— Team Member

“
The team is solving customer problems and starting to solve their own problems, too. For example, the communication plan for Knecting with You happened with very little direction from me.

—*Manager of Team*

How We Did It

BUILDING A CHANGE INTELLIGENT ORGANIZATION

The project was initiated by building a foundation of change readiness with CQ/Change Intelligence®. CQ/Change Intelligence® allows individuals to build awareness of one's own Change Leadership Style and the ability to adapt one's style to be optimally effective in leading change.

CQ/Change Intelligence® was the ideal approach to prepare the Procurement team for a variety of people and situations. A series of four (4) CQ trainings were provided across Finance, Operations, and Procurement for sixty-seven (67) employees including senior leaders.

With a basic understanding of CQ/Change Intelligence®, the team was prepared for the next elements of the program: The Customer Partnership Program.

THE CUSTOMER PARTNERSHIP PROGRAM

Over a period of three (3) months, The Renegade Leader implemented a Customer Partnership Program that included the four (4) primary phases of the Renegade Leader's 5 A's model of building a culture of engaged partnerships for business results (Figure 1.1). Below is an overview of the 5 A's model and the steps taken in this program.

Phase I: Assess

- A Customer Partnership science-based assessment was developed and administered to 30 business units to identify skills most predictive of positive customer outcomes
- Individual interviews were conducted with five (5) customers and five (5) Procurement team members to understand the unique need for the work
- A self-assessment of behaviors identified as the most predictive of positive customer-partnership outcomes was administered for the 8-member Procurement team

The 5 A's

Building A Culture Of Engaged Partnerships For Business Results

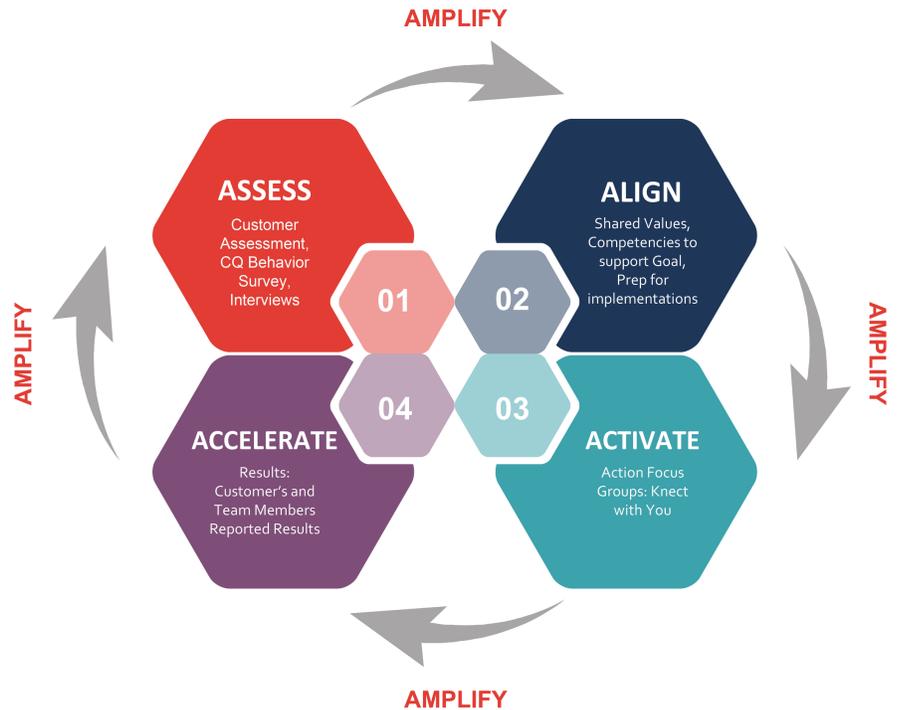


Figure 1.1. The 5 A's model of building a culture of engaged partnerships for business results.

Phase II: Align

- Shared values and customer-partnership skills needed to support the goal were clarified
- Leadership and team members came to consensus on a shared bar of success

Phase III: Activate

- Competency building, executive and team coaching
- Procurement team members were engaged in Action Focus groups that equipped them with communication strategies to meet with their customers

Phase IV: Accelerate:

- Action versus training produces results. Within four (4) weeks of the program Knect with You meetings were scheduled and implemented within the organization
- Results seen within 90 days

“ There are benefits to the bank when the team engages sooner with the right stakeholders. They are seen as a valued partner.

—Manager of Team

Phase V: Amplify

- Measurement of results and ROI determined
- A Customer Partnership science-based post-assessment to measure change and identify skills most predictive of positive outcomes for continued development was administered at the end to the same 30 business units initially measured
- Individual interviews were conducted with five (5) customers and five (5) Procurement team members to understand the financial impact of the change
- A self-assessment of behaviors identified as most predictive of positive customer-partnership outcomes was administered to the Procurement team as a post-program comparison

Through the Assess phase, eleven (11) skills were identified as the most predictive of positive outcomes. These skills fell into five (5) of the eight (8) customer-partnership competencies (Table 1.1).



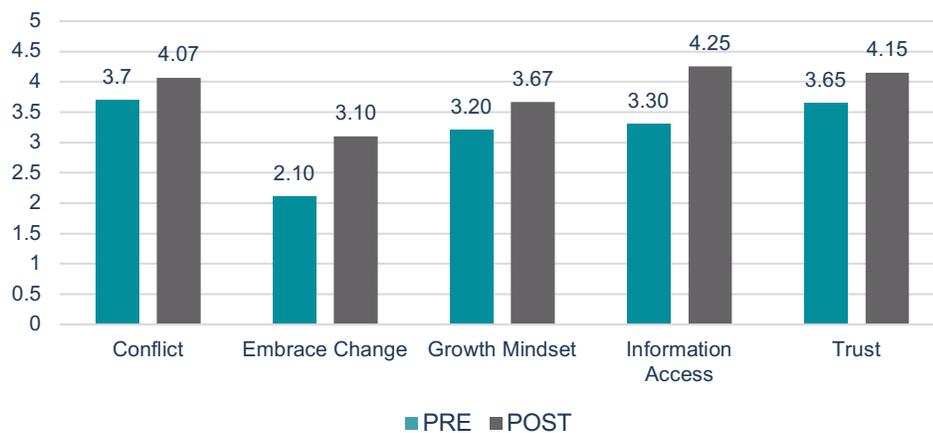
Table 1.1. Five competencies most predictive of positive outcomes.

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I have noticed a change. They have been moving things forward quickly and are good at following up on next steps.
—Customer

RESULTS & IMPACT

The results demonstrated that the program had an effect on the ways in which the customers viewed the Procurement team members and contributed to financial gains to the organization.

Specifically, the Procurement team improved in every competency they were focused on, as rated by the customers (Figure 1.2).



Scale:
1 = untrue of my experience
2 = somewhat untrue of my experience
3 = neither true nor untrue of my experience
4 = somewhat true of my experience
5 = true of my experience
N=16

Figure 1.2. Average ratings of pre- and post-measures of competencies as rated by customers.

More impressively, the Procurement team also grew in every *skill* they were aiming to improve, as rated by customers (Table 1.2). This growth was remarkable given that the program intervention itself was only 3 months long.

“ We are getting more “atta boys” from other department heads and the work has been recognized. It’s a combination of the professionalism and the team’s training.
—AVP of Team

“ We started partnering with our Procurement Team member and the timing of purchases and in the last 2 months and I've seen a significant change in how meetings are structured and facilitated.

—Customer

	PRE	POST
Conflict		
I handle challenges well.	3.60	4.00
I look for "win-win" solutions.	3.30	3.90
I strive to amicably resolve customers' concerns.	4.20	4.30
Embrace Change		
I update outdated policies and practices.	2.10	3.10
Growth Mindset		
I am open to new ideas and approaches.	3.20	3.50
I am willing to learn new ways of doing things.	3.00	3.50
I approach problems with an optimistic outlook.	3.40	4.00
Information Access		
I provide access to information so that customers can make decisions.	3.20	4.40
I provide customers with the information they need in time to put it to use.	3.40	4.10
Trust		
I demonstrate confidence in delivering quality services that meet customers' needs.	3.70	4.20
I show clients that I have their best interests in mind.	3.60	4.10

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N=16

Table 1.2. Average pre- and post-measures of skills as rated by customers.

These behavior improvements observed by internal customers also resulted in impacts that could be monetized. Through the individual interviews conducted at the end of the program, \$89,088 in cost and time savings were realized. After costs of the 3-month intervention portion of the program were taken into consideration, the organization realized an ROI of 162%, which was validated by the Sponsor (Table 1.3).

“*My procurement team member has been able to bring cost reductions by negotiating better terms.*

—Customer

ITEM	MONETARY VALUE
Total Monetary Savings from Program Participants	\$ 89,088
Cost of Program	\$ 34,000
ROI	162%

Table 1.3. Monetary impact of the Making the Connection: Customer Partnership program.

Why Did It Work?

The Customer Partnerships program paid off because the Procurement team members learned how to connect with their internal customers in a new way. Team members arrived prepared and ready to have a strategic, supportive business meetings. Instead of talking about projects and progress as they had in the past, they talked about the customers’ business goals, challenges, and ways to strategically partner together to produce results. The global pandemic created additional business complexities; however, as a result of the program, the team used their newly learned skills to virtually “leave the floor” and meet with their customers as needed.

Team members asked questions of their customer partners, listened intently to their needs, and sought win-win solutions to help solve problems. These actions created trust and developed proactive partnerships, all while helping to avoid conflicts that could arise later down the road in the procurement process.

Customers began engaging with their Procurement partners sooner as a result of the new levels of trust. Team members were asked to be “at the table” at earlier stages in discussions, resulting in strategic partnership and financial savings.

Together, customers and Procurement team members found ways to tap into a larger pool of resources which allowed Procurement to negotiate better contracts for their customers. Further, both customers and Procurement team members saved time and energy by eliminating workarounds and confusion that previously occurred.

The ripple effect was a \$89,088 gain and a 162% ROI on the program within three months.

And the biggest gain? The procurement team felt respected as a valued partner.

The Bank’s biggest risk was the inability to effectively implement large scale change initiatives. Now, equipped with change leadership, communication skills, and the ability to make connections between internal customers, organizational goals, and business results, the organization was well prepared to navigate change with successful outcomes.

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I notice that the responses are less transactional and process oriented, and more focused on how can we solve the problem.

—Customer

About the Author

Debora McLaughlin, CEO of The Renegade Leader Coaching and Consulting Group, specializes in empowering leaders and their teams to ignite efficiency, coherence, productivity, and true innovation. Working together with them, she strengthens the mutual relationship between creative thinking and action, pivoting quickly to achieve goals and solve problems faster than her clients thought possible.



Debora brings to the table her experience in both technology and healthcare to achieve business results for Fortune 100 organizations. Her background and education give her a unique edge in helping leaders navigate change. A best-selling author and contributor to Forbes, Inc, Wall Street Journal and other media, Debora is a respected contributor on topics of coaching, innovation, leadership and human dynamics. A certified woman-owned business, Debora is an ICF Professional Certified Coach, holds two Masters Degrees in the area of psychology, and advanced certification in Executive Coaching and Healthcare Executive Coaching and Physician Leadership Development.

Change isn't easy, but The Renegade Leader Coaching and Consulting Group helps you align others to your ideas and build an organization that mirrors your vision. Debora and her team are thought leaders, authors, coaches, and consultants dedicated to partnering with CEOs, executives, directors, and leaders to achieve results.

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