


Planning for growth

Customer reach



Adapting to change

Since the immense scale of the economic downturn became apparent in 2008, Ernst & Young has been helping business around the world to respond effectively to the market changes.

Early in 2009, we launched our *Opportunities in adversity* program to help companies identify and implement the right course of action for their situation. In October 2009, we followed this with *Lessons from change*: based on our experience and over 45,000 meetings with clients around the world, we identified a new performance agenda emerging as companies adapted to their new market. The Performance Wheel (shown opposite) identifies the eight key performance goals and the related programs of action that lead to them.

This new report – *Planning for growth* – seeks to build upon this program by exploring the longer-term response that successful companies are planning.



The *Planning for growth* report is based on further global research – both externally and internally – to try to form an overview of the next three years from the business world’s perspective. We asked our respondents four key questions:

- Are the changes in the global market temporary or permanent?
- What trends do companies anticipate over the next three years?
- How are companies adapting their business functions – now and over the coming three years?
- What is the impact on companies’ internal measurement system and key performance indicators?

The results of the research are published in the full *Planning for growth* report. This was followed up by more research in May 2010 to evaluate whether perceptions had changed over the ensuing months and to further establish the criteria of the new “normal”.

This document considers the specific implications for customer-focused processes.

When crisis hits, there is a natural and practical tendency to put your head down and focus on the immediate; but while looking at the ground may avoid a fall, it will not guarantee progressing in the direction that you want. As the challenge of the new becomes the “new normal,” the opportunity returns for management to lift their heads to check that they are heading in the right direction, or whether a change in direction is needed.

Executive summary



After the crisis, the only certainty is uncertainty

The market and economic changes witnessed by businesses over the last few years could never have been predicted. Globally, the crisis hit quickly and hit hard. Yet despite the severity of the crisis, the recovery is happening faster in some markets than many could have either hoped or expected but slower in others. As companies look forward, the one certainty of which management is sure is that post-crisis, nothing is certain.

Respondents to our survey are looking forward to a positive rebound – albeit one in which growth will be slow to return. Although this recovery is a global phenomenon, the expected growth will not be consistently distributed by country or by sector, and we believe that significant variations will remain.

While it is true that the “emerging markets” expect a stronger performance than developed economies, this is not a global movement – Russia, in particular, is expecting only slow growth. Interestingly, respondents from the US agree with many European countries in expecting significant change; equally, in the emerging markets, many of the most positive responses are from those companies which have built rapid change into their “business as usual” model.

Returning to growth is not returning to “normal”

Returning to growth will not be the same as returning to the “normal” conditions that existed before the economic crisis. In our research during May 2010, four in 10 companies responded that they do not expect business to “return to normal” for them. This is an increase of almost 25% compared with the results we gathered from the research in November 2009.

The volatile tide of economic events over the last couple of months has led to a significant impact and this higher degree of sensitiveness shows that although businesses are confident, they have become more cautious during the last eight months.

A changed world

All respondents are looking ahead to a changed business environment. The rise of new economic giants like China and India, as well as additional regulation, increased tax and the potential return of inflation, are all seen as factors which will make businesses less profitable, unless they are effectively addressed.

A consistent theme that runs across our findings, both in terms of market outlook and planned business response, is the expectation of increased volatility and complexity. Markets are expected to see major swings in growth, and both the volume and depth of change is expected to increase.

Two factors emerge as being critical to future corporate success: the speed with which a business can respond to both opportunities and threats, and the flexibility that it builds into its operation to enable it to do so.



A changed company

As a result of the situation, companies are planning many changes in the way that they operate. These changes are also extending to the way they measure their performance: while the top five performance indicators are expected to remain the same, there is a significant increase in the use of others, with a major move from quantitative to more qualitative and relative measures as key performance indicators (KPIs).

Companies have already started to revisit their business model – or plan to do so. Evidence shows that, after economic downturns, companies tend to concentrate on their core business; and we believe that this will become a trend within the next couple of years. As part of the business model review process, there was an expectation that we would see a move by companies from a centralized to more decentralized organization.

In a world where change is more prevalent and rapid, no company can afford to focus its attention on immediate events, or simply react to the latest problem; to be successful, it will have to become aware of what's happening on the global stage and be prepared for the impact of long-term trends. Learning from key development trends in other markets and sectors will be crucial for staying ahead of competition.

Successful companies in mature markets will need to focus on global innovation management. Future market leaders will be companies which are both entrepreneurial and agile. However, the characteristic that will truly determine which companies are the dominant players in 2012 will be the ability to make and execute decisions quickly.

When times are uncertain, no one can predict what may be around the corner, so the need for flexible responsiveness has never been greater.

Implications for key functions and processes

The implications of the new performance agenda are significant and complex. Each of the eight goals on the Performance Wheel is supported by numerous potential actions, and none of these goals operate in isolation from the others. Seeking to optimize customer reach, for example, will require organizations to increase their flexibility, optimize their market reach and re-evaluate their business model. This is particularly true for the many functions and processes that comprise an organization – all of them will be affected fundamentally by the changes that are required.

Strategic change will involve internal transformation activities on a significant scale, including upheaval to organizational structure, the introduction of new technology, and big challenges to the way people are recruited, developed and managed.

Summary of the implications for the customer process:

	Customer process	
	Impact	Implications
Optimize operational flexibility	H	<ul style="list-style-type: none"> Operational flexibility is not an easy or cheap option. It requires a company to establish the right balance between adaptability (changing according to circumstances) and stability. Customer processes need to adopt the appropriate level of flexibility through sustainable cost reduction and revenue management, as well as efficient customer management and an effective marketing mix.
Optimize market reach	H	<ul style="list-style-type: none"> Companies will need to optimize their market possibilities: attempting to make less profitable clients more profitable, looking at new channels and expanding geographically.
Re-evaluate the business model	H	<ul style="list-style-type: none"> Companies will have to re-evaluate their business model to enable them to respond to a customer-centric culture.
Accelerate decision-making and execution	M	<ul style="list-style-type: none"> Global consistency in methodologies, service delivery tools and Q&RM procedures, along with access to the best resources, will help companies speed up the way they solve their clients' issues.
Strengthen management talent	M	<ul style="list-style-type: none"> Businesses will have to make sure that they have the right talent with the aptitude to drive the customer-centric culture.
Optimize capital availability and deployment	L	<ul style="list-style-type: none"> N/A
Revitalize risk management	M	<ul style="list-style-type: none"> Companies must review their risk management procedures regarding a customer-centric culture and review new risks around social networks, expanding geographic influences, and cleantech (e.g., renewable energy and low-carbon technology) investments.
Strengthen stakeholder confidence	L	<ul style="list-style-type: none"> Stakeholders will want companies to consider qualitative KPIs, such as customer satisfaction, in response to increasing market expectation.

Impact on the customer process

□ = Low ■ = Medium ■ = High

The challenge of managing changing buying behaviors



Today we live in a buyer's market, where choice and competition face almost all manufacturers and service providers. Competition has increased dramatically, with many similar products struggling to attract the same customers. Price has become a key factor in retail communication, which has resulted in seemingly endless price pressure. With the increasing power of the internet, business has had to deal with greater market transparency, resulting in customers wanting to bargain on all major purchases.

Responding to this pressure has increased the communication challenge for business. Marketing spend has increased, while the exploding number and variety of communication channels have reduced its effectiveness dramatically.

It is also much harder to classify the individual customer. No longer are target segments clear – with premium-, middle- and low-price orientation varying by service on the one hand, and a buyer who is both more demanding and less loyal on the other.

Branding is more important than ever before, to enable the product to cut through the clutter and secure the purchase; but a good brand name no longer guarantees a premium price.

Communication technologies have also affected customer loyalty. Customers are flooded by advertising and marketing messages at every opportunity, every minute of the day – so that they have become, to a great extent, wallpaper. Instead, potential purchasers are keen to follow their trusted peers' recommendations through new media channels such as blogs, forums, wikis and other social networks.

Even in emerging markets, consumers have increased spending power and more options for procurement. They can easily switch from one provider to another if they are not satisfied.

To these challenges, we can now add the impact of the economic crisis: not only a recession which has cut costs and employment – hence reducing demand – but, potentially, a fundamental rethink by customers on the way they spend the lesser sum of money in their pocket, and by lenders on the role and level of credit in the market.

“Because the way consumers purchase will change, regardless of what the object being purchased is, it becomes fundamental for companies to correctly understand the levers that push the consumer into buying. The consumer will be a lot more selective.” Italy, CFO



Optimize operational flexibility

Sustaining cost reduction and revenue management

During the crisis, companies mainly concentrated on cost-saving actions, which had a strong short-term benefit but also had a general effect across business: sales, general and administrative costs (SG&A); costs involved in customer care; and sales and marketing were on the top of almost every company's list of potential savings targets. The results of our survey, *Save to prosper*, show that 60% of companies reported achieving savings of up to 10%, and another 29% of companies saved up to 20% of their original budget.

Marketing spend, especially, has decreased dramatically. Research for *Opportunities in adversity* indicated that during the economic crisis, marketing and sales are the second most likely internal function to be cut (human resources being the first). Not only did this development have a dramatic impact on those sectors which depend on income from marketing budgets but, just as the market became difficult, the tools traditionally used to address the challenges were reduced or removed from management.

Companies have started to look carefully at their customer base and eliminate unprofitable revenue streams: this also means reviewing the most expensive customer service activities against the value they deliver.

Revenue management enhances the efficiency of the sales-to-cash process, allowing costs to be reduced and improving the company's performance: an effective process will improve the flow between the initial customer contact and final payment after the delivery. It assists with the correct and timely billing of all goods and services, and accelerates the collection of receivables; helping to increase the company's revenue, EBITDA and cash flow, while reducing expenditure on employment.

In reality, the implementation of revenue management is still lagging behind, and one in three of the companies surveyed in recent Ernst & Young research recognizes a need for improvement in this area. Even sectors such as transportation, airlines and tourism that invested heavily in revenue management have major improvements to make to their billing processes.

Research shows that more than 60% of companies will fail to sustain their cost reduction programs over the longer-term, once the enterprise and the wider economy begin to grow again. After managing survival by short-term cost savings, companies now have to switch to long-term cost optimization – achieving more with the same budget or, even better, more with less, is the ultimate goal. In terms of customer reach, the focus areas are:

Effective customer relationship management (CRM)

- **Account management**
To be successful, companies need to establish an account management process which ensures customer focus, as well as securing appropriate investments according to the revenue potential.
- **Sales processes and systems**
Our experience shows that most companies have the potential to improve their sales performance and quality. Two major areas to look at geographic coverage and consistency, and alignment with other key functions, such as marketing and R&D.
- **Customer segmentation**
Dealing with customers is getting more complex, and companies need to segment their customer base and review the product portfolio continuously. Failure to do this can be extremely costly, e.g., when purchase prices are not harmonized.
- **Sales organization**
Aligning the sales organization with account management, the sales processes and customer segmentation, is the foundation for effective customer management. The quality, speed, efficiency and flexibility of the system rely on the detailed integration of all four elements.

Achieving an effective marketing and communication mix

The 4 Ps (product, price, place, promotion), traditionally a fundamental marketing principle, has lost much of its relevance. The 4 Ps have now mutated into the 4 Cs, which reflect the increasing focus on customer orientation much better:

- **Customer**
Companies that operate narcissistically, without recognizing the needs of the customer, have either died off already, or face an extremely high risk of failure. The emphasis on product has changed into customer focus; to attract customers, you must study them, so that you are able to anticipate their needs and desires.
- **Cost to satisfy**
Companies that simply focus on the ultimate price for their product/service, without introducing other benefits, will suffer. Due to price sensitivity and market transparency, customers are looking for much more than a good price to satisfy their needs. For example, the car dealer which offers its customer a complete package including insurance, prolonged guarantee and regular servicing can often make the sale, even if the car is not the cheapest on offer.
- **Convenience to buy**
More than ever before, companies have to consider carefully which distribution channels they use. Technological developments, as well as the increasing dimension of the global virtual marketplace, have changed customer buying behavior dramatically. The different channels fulfill different functions (browsing versus buying) for various consumer groups.
- **Communication**
Successful companies are not just able to manage the variety of media channels and mediums – their communication includes all areas in which a customer is in contact with the manufacturer/service provider, for example, customer support and technical hotlines. The professionalism and quality of customer care will have a direct impact on the company image and its long-term relationship with the customer.

Case study

Initial situation:

A global premium fashion brand was aiming to increase the revenue and profitability of its retail operation by establishing a closer relationship with its end customers.

The response:

To gain in-depth insights into the customer attitudes and behaviors required to facilitate a more targeted customer dialogue, the company embarked upon a strategic market segmentation program across key markets as a basis for optimizing the company's CRM activities.

The result:

Through this program, the company identified the key customer segments to focus on, based on quantification of the relative position in each of the segments, e.g., brand presence and share of wallet, and assessed the possibility of improving customer lifetime revenue value through increased loyalty and more targeted marketing activities. This resulted in a more effective allocation of marketing budget, using a segmented marketing approach, and enhancement of their CRM capabilities.



Optimize market reach

With such great variation in market and segment performance, now is the time to develop strategies and programs to broaden your profitable customer base. The following areas are worth exploring:

Making less profitable clients more profitable

The effort and expense required to make a client more profitable can be significantly less than winning a new customer. Over the years, many of these companies can develop positively, management will change and companies should always be kept under review. Effective account management can open opportunities to develop these clients and identify the stars (companies as well as individuals) of tomorrow.

World-class account management begins with a shared commitment to account-centricity – putting clients at the core of the agenda – bringing together the best account planning and management practices in a consistent, high-quality approach; enabling the account teams to plan, execute and measure their activities more effectively. This may require investment in the right tools and resources to support the account management efforts, whether through business development and marketing, knowledge or external resources. Strong leadership support of the account teams is essential to help them leverage the opportunities – and meet the challenges – they face.

Exploring new geographical markets

Companies have cut communication and advertising budgets, resulting in many customers not being aware of the full brand value, and thereby opening their market share to attack. This also allows the influence of lower-cost operators from the Far East to grow.

More than three-quarters of respondents expect to see an accelerating shift in power to new economic giants such as China or India. Several experts also expect that, by 2030, the Brazil, Russia, India, China (BRIC) countries, plus Turkey and Indonesia, will have overtaken the top seven mature economies; and Western companies will try to take advantage of the new booming demand from BRIC and other emerging markets through acquisitions, alliances or joint ventures with local companies.

The automotive sector, for example, has tried to play by itself in emerging markets but is now moving towards playing with local companies who know the market and can offer lower costs. Also, major pharmaceutical companies are looking beyond developed markets for growth opportunities, spurred on by the removal of patent protection in more established countries and the burgeoning middle-class populations with significant medical needs in China, India, Brazil and Turkey. Similarly, many large consumer products companies are looking to increase their presence in Africa.

Companies' main challenge to optimize their market reach will be to understand the new demands, and adapt from a supplier chain perspective.

Exploring new technologies and channels

The internet has revolutionized the way people can get information – it is also the fastest way to spread information to a large number of people simultaneously – and it has fundamentally changed the way customers purchase products and services, locally as well as globally. Despite the recession slowing retail sales growth globally, e-commerce sales have continued to increase; and e-retailing is expected to continue to replace physical display and distribution channels. The recession forced a general inclination toward saving money, and fueled the online research behavior that enables customers to compare and find products and services.

This technical revolution has already influenced many business models and there is no doubt that other companies will need to follow. Today, even traditional retailers and manufacturers have integrated the web effectively in their distribution strategy: for example, manufacturers such as Logitech and Acer are effectively combining traditional and web-based business.

The internet has also enabled, or accelerated, the creation of new forms of human interaction through instant messaging, internet forums, blogs and social networking sites such as Twitter, LinkedIn and others. Some companies have started to explore, or have already built, a communication strategy based on social networks.

By effectively advertising themselves, the users of social networks provide information about their needs and preferences, which businesses can exploit through personalized marketing, creating a bond with their customers that will enable them to generate trust and loyalty. But consumers are sensitive to others' experience with brands, and dissatisfied customers' feedback can be harmful. Anderson Analytics' Social Network Study, sampling over 11,000 online panelists over an 11-month period, showed in June 2009 that 50% of social network users have followed a commercial service, product, or brand promoted on the site; and almost half of users have said something positive about a brand on a social network site, while a quarter of users have said something negative about a brand.

Manufacturers of consumer products can save time and money by adjusting product prototypes without waiting for the official launch on the market, thanks to immediate feedback from key people. Companies can also learn from internet giants which used open innovation and free licensing to leverage the customer community; or from the fashion industry, where some companies had the idea to call upon famous bloggers to design collections to increase their visibility and boost sales. Making some key customers "promoters" can have a huge impact on consumer decisions, and people love to be informed ahead of others that something new has come along.

From our point of view, this development is not just a transitory trend; it will have a deep impact on the way companies communicate with their customers in the future. Social media will become the ultimate way to individualize customer messages. We recommend that companies explore the opportunities and integrate this new way of communication appropriately. The challenge for companies will be twofold:

1. To build an effective communication strategy with your customers (convince and adapt messages accordingly)
2. To manage your brand and reputation risks

- A January 2009 [Compete.com](#) study ranked Facebook as the most used social network by worldwide monthly active users, followed by MySpace¹.
- Facebook has 400 million active users as of April 2010².
- More than five billion pieces of content on Facebook (web links, news stories, blog posts, notes, photo albums etc.) are shared each week³.
- In 2006, Google signed a US\$900 million deal to provide a Google search facility and advertising on MySpace.
- MySpace has 100 million members and Twitter has over 100 million members⁴.
- LinkedIn now has over 65 million members⁵.

"We are consumer-driven in marketing landscapes and social marketing: Twitter and the opportunities there are now part of our budget. It's a huge piece of our revenue." USA, CFO

1 Source: [Compete.com](#).

2 Source: [Facebook statistics](#), April 2010.

3 Source: [Facebook statistics](#), April 2010.

4 Source: [The Economist](#), 15 April 2010, "Twitter snags over 100 million users, eyes money-making".

5 Source: [LinkedIn statistics](#), April 2010.



Re-evaluate the business model

Do your customers love doing business with you? Do they appreciate the service(s) you offer? Are your clients faithful to you? If the answer to all three questions is “yes,” your company will probably be very close to a customer-centric organization. Unfortunately, examples of best practice are still rare.

A client-oriented philosophy is about:

- Fulfilling and anticipating customer desires (instead of merely selling products/services)
- Giving a good buying experience and delivering value (instead of dissatisfaction)
- Harvesting customers (instead of aiming for a short-term view)
- Establishing continuous personalized communication (instead of anonymous promotion)

Companies do not just need a corresponding culture; they need a business model that supports and fosters a client-oriented philosophy which aligns all the single elements of the company's value chain. If a company is to perform in operational excellence, customer intimacy and product (service) leadership, the business model has to put all its efforts into fulfilling the customer needs and desires. It's critical to sustain the relationship between the corporation and the customer – being open and collaborative to build loyalty and lessen risks for the business.

“The customer has one euro to spend: the problem is that we have to be the company they spend it with. After the crisis, the customer is even fussier; but we still have to make sure that they spend it with us, so we have to think strongly about good marketing, which will enable us to come out of the crisis stronger.” The Netherlands, CFO

Of course, this is not relevant to every company in every industry around the world; but the approach fits very well with service organizations and companies which produce consumer durable goods based on a long-term relation with a client or consumer.

In other market segments, some manufacturing companies have found their own way to encourage customers to be loyal to the product, service and business model. For example, there are coffee brands which have started to sell coffee machines and individualized coffee capsules: this not only fulfils customer desires for a more luxurious way of enjoying coffee and delivers a "customer experience," it's also a way of selling coffee more expensively and creating a long-term relationship with the consumer. This business model is similar to that of inkjet printer manufacturers: the customer buys a printer at a very low price; it usually barely covers the cost of the printer. Then the manufacturer makes its margins on the refill cartridges, which are relatively expensive.

"We're a retail business: consumers are the most important thing. We need to get the right balance between profitability and value." USA, CFO

Accelerate decision-making and execution

Understanding customer needs, desires and requirements will not lead to success when the company is not able to transform its knowledge and experience into corresponding services or products. Customers expect their requirements to be fulfilled accurately, as soon as possible; if they do not get what they expect, they will try another brand or supplier.

For world-class service organizations, this means that they must deliver what they promise on time; and ideally they should be globally consistent in methodologies, service delivery tools and Q&RM procedures, bringing together the best resources to meet the client's issue. Manufacturers need appropriate R&D capabilities and production flexibility as the basis for a speedy "time-to-market approach". The most vital aspect of success is having clearly defined roles and responsibilities, which are the basis for a fast decision-making process; without this, every company of a significant size takes the risk of wasting time dealing with internal discussions instead of delivering first-rate products or services to its customers.

Strengthen management talent

To create a customer-centric culture, organizations have to define all the key elements that constitute a culture (the company values, patterns, behaviors, competences, etc.) . Once this is defined and aligned with the company's strategy, it has to be communicated to its people to inspire and guide them.

It starts with recruiting the people who best fit with the company values and behaviors. In the service sector, for example, companies have to select employees with tendencies toward empathy, understanding and service orientation; this can be done by using personality indicators that target the expected skills and competences, as well as simulated role-playing exercises.

Secondly and most importantly, businesses need to make sure that the people who are in direct contact with customers know and understand these values ... and live them in everything they do. Thus organizations must design the relevant processes to transfer best practice to their people through training and empowerment programs.

Thirdly, organizations have to manage individuals' motivation and accountability, based on defined values, competences and skills, as well as to reward them accordingly.

To consolidate a customer-centric culture, people need to listen continuously to their customers and act on their feedback, so that they can establish respect and trust from them.



Revitalize risk management

The ultimate insurance for avoiding or limiting customer risks is establishing a customer-centric culture and business model, combined with speedy decision-making processes and execution. There are some other aspects we recommend that you monitor:

Dealing with social networks

- Businesses that integrate social networks in their communication strategy have to pay careful attention to the boundary between customer privacy and information that can be exploited for business. Some social networks have been involved in controversy over the sale of “fans” and “friends” to other companies. Concerned that users want to maintain control over their information, US senators have urged one site to change its privacy policy settings so that users have to opt in to shared data, rather than opt out.
- Companies will have to avoid reputational damages caused by negative word of mouth.
- If your employees are using social and business networks such as LinkedIn, the information added by employees can impact on the image of your company – positively as well as negatively.

Expanding business geographically

This is self-evident, but very often ignored; if companies aim for new geographical and cultural markets, the management is well advised to learn how to deal with the respective market. Too many companies fail to do this, losing money and damaging their reputation.

Cleantech

Leading entrepreneurs view climate change as a growing strategic concern, according to a survey conducted as part of Ernst & Young's second annual *Global cleantech insights and trends* report, which provides insights into global trends in cleantech investments, financing patterns and public policy. Entrepreneurs were selected from Ernst & Young's prestigious *World Entrepreneur Of The Year Academy* to give their views on climate change.

A significant majority of entrepreneurs surveyed (61%) view climate change as an important strategic concern, while 70% have increased their focus on climate change initiatives over the past 12 to 24 months. 80% expect to increase their cleantech spend over the next five years to improve their internal operations and supply chain, and to meet their corporate responsibility requirements. 44% have budgeted at least US\$1 million for climate change investments over the next five years, with priorities being water efficiency, solar power and electric grid management; and 6% anticipate spending more than US\$20 million during the same period.

Strengthen stakeholder confidence

Due to changing consumer behavior, we see a P-world (world of products) moving to a C-world (world of customers). Customers have always been challenging and they will still be in the future. In that context, we expect that qualitative KPIs to become more important in measuring a company's performance: stakeholders need qualitative information on the company. The representative survey, carried out among over 800 executive stakeholders, shows that customer satisfaction will be the number one KPI before financial profitability by 2012 (see the chart opposite) for most countries; with the exception of China, which will continue to concentrate on profitability. We also expect companies to improve their ability to deliver the “customer experience” so as to create loyalty and encourage recommendation behavior.

Our research indicates that ethics and sustainability will be essential in all countries, whatever their size, their geography and the nature of respondents (corporate and stakeholders); overall, their importance will increase from 42% in 2009 to 66% in 2012.



Environmental concerns have been pushed down the corporate agenda in the face of more basic threats to economic survival, even though companies recognize that such issues have not disappeared and, indeed, that they will become even more pressing in future. More consumers, however, will be likely to buy through consideration of the green aspects of the manufacturer. Some companies have already anticipated this emerging expectation; for example, one retailer took measures by displaying the carbon weight on all the products in the stores and by recruiting a purchaser specializing in green concerns to put pressure on the suppliers. The energy sector is also under pressure from consumers to be more “socially responsible,” which will force it to invest in, and communicate, the changes to customers.

“External environmental changes lead to market demand increases.” China, CFO

Another challenge for companies will be to build a customer-focused approach, with the right balance of value and sustainability. Smart business executives will want to achieve a union of progressive measures such as low carbon energy with cost savings; increased flexibility through shared service centers, or faster product cycles, to compete with rivals in the Far East; and diversified business models to compensate for loss of revenue in traditional channels.

Which key performance indicators were important in 2009 and are expected to be important in 2012?



Base: all respondents (866)
 Scale: 1 is not important at all and 5 extremely important
 Shown: percentage of respondents





Self-diagnosis:

- 1 Did you develop corporate wide portfolio, brand and pricing strategies?
- 2 Do you monitor the strategy for targeting, acquiring and retaining your customers?
- 3 Do you gather data on an ad hoc basis? Do you measure customer value?
- 4 Are sales processes defined, standardized and adapted periodically?
- 5 Are channels actively managed and their performance measured?
- 6 Did you set up processes and policies for service recovery, complaints and customer feedback?
- 7 Do you measure customer satisfaction and use it as a KPI? Do you reward employees accordingly?

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