

WHITE PAPER

Five Business Benefits of the Client Appreciation Index

Saguity
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Suite 1 Level 2
10A Atherton Road
Oakleigh VIC 3166 Australia

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Our company

Welcome to Saguity

Saguity is not just a CX-strategy company; it's the secret weapon empowering businesses to reach their ultimate potential. Innovator of the service excellence index Appreciation Certified™, our team at Saguity helps businesses understand the real risk and value of their customer base and the key to unshakable customer loyalty.

We have surveyed over half a million consumers across multiple industries to better understand what they appreciate most about service excellence. The data collected reflects the power of a 10/10 CX score and how it can help businesses build a solid foundation for growth.

Our clients are leaders in their fields because they optimise market opportunities and understand the power of customer appreciation. They know you cannot stand out from the crowd if you measure yourself against current market trends. Every business will tell you that it delivers great service to your satisfaction, but we all know this isn't always the case. Appreciation Certified™ gives

you the opportunity to define your unique identifiers and set your business apart from the market.

Our team has also re-invented the process of measuring and understanding the loyalty of a company's customer base and the likelihood of return business. CX is a critical factor in revenue security, leadership and culture assessment. CX Assurance™ offers an outside-in review of business processes and provides accurate measurement of customer loyalty. We have created this new metric in due diligence for mergers and acquisitions so that both the vendor and the purchaser can accurately assess the value of their customer base.

The connection between a great customer experience and loyalty is unmistakable. Are you prepared to challenge the beliefs of your company and its culture? Only you can choose the next step. You can repeat the past, or you can change the future.

Introduction

We live in a dynamic and converging world where business is experiencing more disruption with every passing day. Many are looking to product and service delivery to sustain new and innovative ways of doing business. Traditional markets are being challenged, and many have gone from a position of leading to simply trying to catch up. It's a rapidly changing world, and intelligent businesses require a precise measurement of client behaviour to stay ahead of the curve in their market.

Within this transformation there is one vital factor that is often overlooked when companies are innovating ways to improve. It's also the most critical factor for business security when combating against competitors. It's your point of difference, your golden opportunity to stand out from the pack. It's the client experience.





It's knowing how to go beyond the client experience that drives innovation in the CX space, and those who know are winning.

— Darrell Hardidge

Defining the Client Appreciation Index

The best businesses see customer satisfaction as the starting point; their competition see it as the goal. The game of customer loyalty is both won and lost right at the starting line. Most sales and marketing executives aren't aware of the myth that achieving customer satisfaction will only deliver average results and keep them irrelevant.

Standing out in the constantly disrupted media and marketing landscape requires a unique and individual strategy, one that can't easily be replicated. For a business to define a unique point of difference, it must engage directly with its market to discover the connections that make it highly relevant.

Appreciation is your connection to your market and defines the human engagement that creates unshakable loyalty. When a business can inspire its team to deliver predictable service standards that go

beyond their competition, they enter the realm of unshakable loyalty. Unshakable loyalty is the objective most businesses are in constant pursuit of yet rarely achieve. It's the holy grail of predictable revenue, where customer retention and wallet share are firmly on the balance sheet.

The Client Appreciation Index (CA Index) is an innovative measurement allowing businesses to maintain and expand their market position. The index measures client appreciation over satisfaction. Providing appreciation levels can vastly reduce your risk of becoming redundant or being replaced by a competitor. There are five key benefits of the CA Index that provide insights beyond the client experience. These benefits enable you to revolutionise your business and consistently deliver dynamic value, gaining the loyalty of your customers. They are the points that separate the great companies from the average.

Measuring client appreciation

Go beyond expected

The CA Index determines the current market situation so that you can go beyond the expected. Most companies believe delivering on time, stock availability, quality products and service, effective communication and product knowledge are what define a great company. With this in mind, ask yourself the following question: as opposed to what? Low-quality products and being unhelpful? Leading companies certainly have the above covered, but as soon as you don't deliver on these factors, you lose client loyalty.

These factors are expected, not exceptional. The trick is knowing how to go beyond the expected. Delivering what your market expects is the baseline of satisfaction. Most companies believe client satisfaction is the

goal, when in reality, satisfaction is just the starting point. Companies that dominate their markets know precisely how to go beyond the expected (satisfaction) and continue to innovate their customer experience.

The challenge is being able to accurately measure how your market feels about you, and The CA Index highlights this knowledge with scientific precision. Most importantly, the CA Index measures client appreciation (the perfect 10/10 experience) and defines it with heart and head drivers. If your current CX process does not define what drives extreme loyalty, then there is every chance you are only measuring a basic service standard of satisfaction and are potentially compromising your CX strategy.

Exercise

Think of your most loyal and valuable clients. Now, try to answer the following questions:

1. *What may they say about you?*
2. *What is it (that you believe) stands out?*
3. *Why are they loyal to you?*

While it's useful to think from your client's perspective, it's also critical you get the right knowledge from the right source: your clients. If the only data you have on your client experience is your opinion or your team's, opinion you, are missing the vital information needed to make informed decisions on your client's behalf.

Become relevant

How relevant are you to your market? Do they need you? Do you stand for something that aligns with their personal values? Are you their first thought where your product or service is concerned? If not, then consider this: are you irrelevant to them? If you are irrelevant, then it's likely that they're just satisfied with you, which means you are in the price trap fighting it out with discounts and loyalty schemes.

The real challenge operating in this space is that most transactions are not bad or negative, they're average, and average service doesn't earn the highest margin. As a minimum, you must be a 9 out of 10 with your clients, and only by using the CA Index can get you there. Even at the high end of the loyalty ladder, there is still a degree of risk with extreme loyalty and irrelevance. Consistent use of the CA Index to test and measure internal performance and external experience ensures you meet your high standards and service KPIs.



CA Index

The Client Appreciation Index (CA Index) is an innovative measurement empowering businesses to maintain and expand their market position. The index measures client appreciation over satisfaction, providing a superior metric which delivers profound results in client loyalty.

Dy-Val

Dynamic value (Dy-Val) is the inspiration that drives individuals to go harder, to be willing to be willing, even if they are unwilling. It is critical to manage the requirements of inspiration without external motivation, which is what makes Dy-Val so important in leadership.

Rise above the price trap

If there's one thing you need to know about your business model, it's how to recognise whether or not your strategy and theory has you caught in the price trap. This is key to your long-term future and sustainability.

If you look closely at a lot of companies today, you'll find that they're trying to be different rather than trying to be better. Being different isn't difficult with SEO, AdWords, gimmicks, loyalty (discount) programs, and exclusive deals to help lay a foundation. Being better, however, that's a whole new ball game altogether. It requires structural change within a company and a level of profound long-term commitment that goes from senior leadership right to the front line with a constant, neverending focus on optimisation. When we aim and operate to optimise rather than improve, we ask different questions. Different possibilities open up different and better results. This commitment to optimisation drives performance well beyond improvement. The CA Index can help you achieve a step-by-step optimisation process specific to your business.

Optimisation is the most demanding game; it's a magnet for talent that fuels the perfect environment for creating a championship team. The best-of-the best optimise their processes while relentlessly striving to reach their full potential.

Maximise Appreciation

Maximum client appreciation is the ultimate measure of client service and the CA Index. When you master client appreciation, you are rewarded with maximum wallet share and powerful referrals. Your clients consider the price they paid to be of real value. You can only achieve this with minimum variation to your service delivery. Every part of your service delivery must be designed and implemented to reduce any variation from the ideal service experience. This is a great challenge for multiple site/salespeople business models. Without this KPI, you are missing a significant opportunity.

Leading companies are genuinely committed to achieving client appreciation and loyalty; they understand its extreme market power and know to do whatever it takes to cement their place as a company known for its client appreciation process.

Exercise

Think about your service standards and procedures. Are your standards geared towards minimising variation? Do they ensure your team can fulfil the head and heart drivers of a 10/10 client experience?

Deliver dynamic value

Dynamic value (Dy-Val) is ever-evolving. It surprises and delights your clients and requires a constant focus on innovation. It must be a strategic part of your business plan and engage your best talent so that you can develop a client experience process that sets you apart.

At every point of engagement, you must be committed to leaving a deposit in your client's emotional bank account. You must have integrity, and your client's needs and interests must come first. Furthermore, it is essential that your team has a point of difference. They should be inspired to serve without external motivation. Inspiration will drive people to go harder, to be willing to be willing even if they are unwilling. This is Dy-Val at work. If the members within your team require you to motivate them, then they are not willing, as they need an external accountability to keep pressure on them to perform. It's critical to manage the requirements of inspiration without external motivation, and that's why leadership is so important.

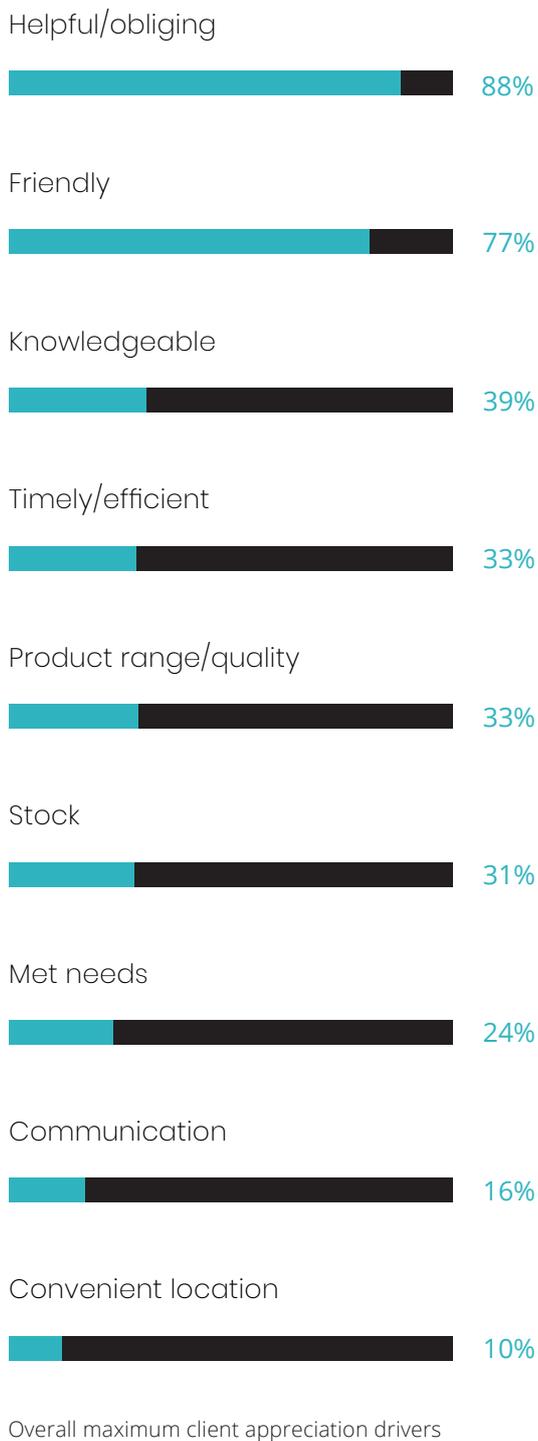
If you can't lead the two behaviours, you are going to struggle with consistency. Some members of your team will require you to motivate them to see their purpose in committing to your values, but once they have their own purpose, they find the inspiration to be their best.

Exercise

Think of all the transactions you've made in the last 30 days. Did any of them stand out to you? Were they exceptionally positive with a WOW factor, or were they negative?



Appreciation Drivers of a 10/10 Experience



Exercise

Below is a series of questions that will determine if your company is stuck in the price trap. If you answer yes to any of the below, you need to quickly assess your value with the CA Index and start optimising to rise above the price trap.

1. Are your competitors squeezing your margins?
2. Do your clients view you what you are offering as a generic commodity?
3. Can your clients get what you are offering elsewhere in a similar fashion?
4. Are your sales conversion rates slipping?
5. Are your average dollar sales values declining?
6. Is online competition impacting your ability to sell?



Conclusion

The CA Index will not only enlighten your company but also provide you with a process that will ensure you are able to revolutionise your business beyond the client experience to create and deliver dynamic value.

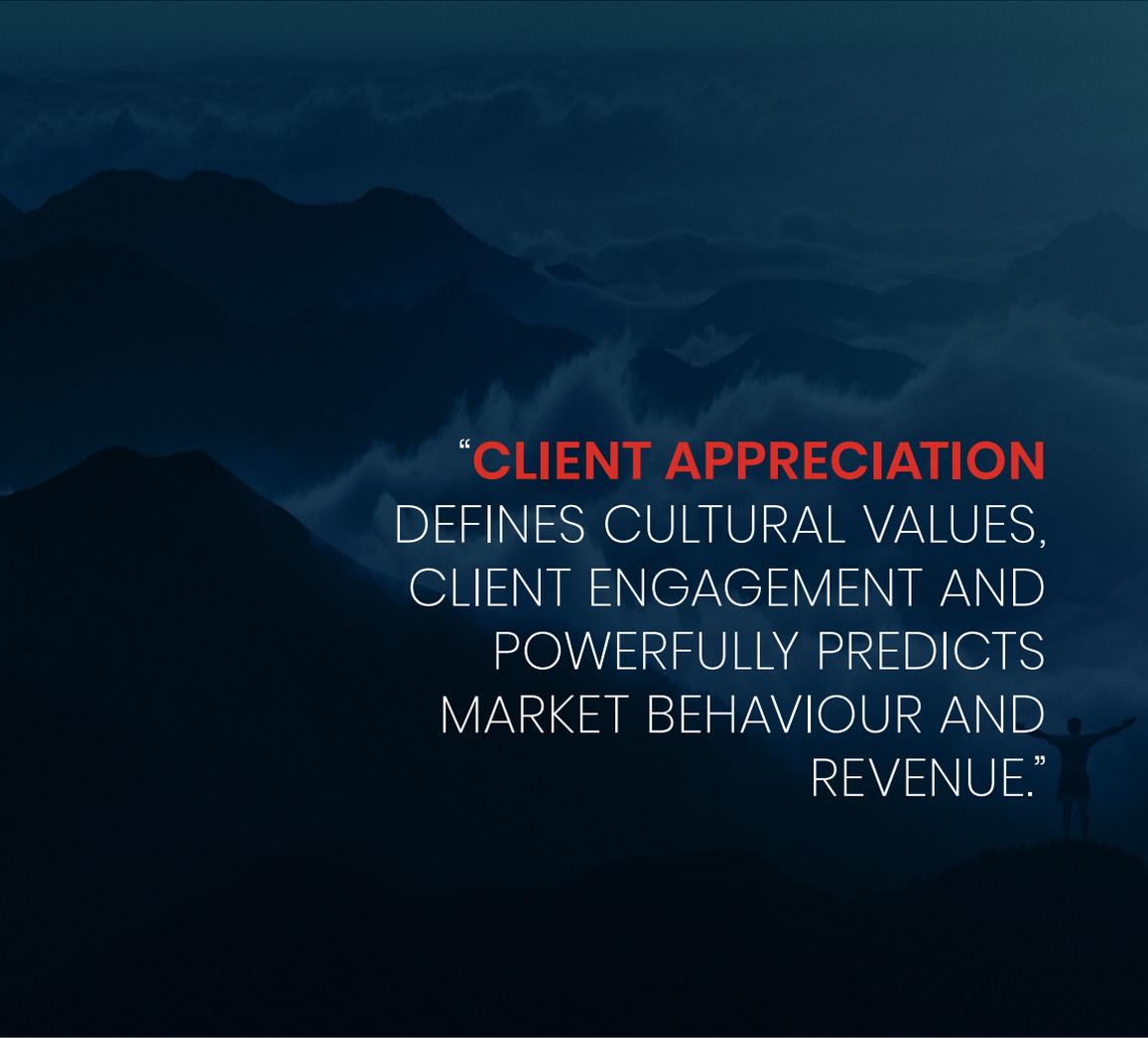
When a company understands the core truth about what matters to its clients, it has the edge in its marketplace. The CA Index will highlight what your market expects from you. It discovers your optimal value so you can escape the price trap and illuminates the path to you becoming relevant to your market. It provides a step-by-step process whereby minimum variation in service occurs and dynamic value is present.

Only with the correct measurement can companies benchmark accurately and rise in their field to become no.1. Staying no.1 requires the routine application of the CA Index to test and measure your business to ensure you stay ahead of the curve. Want to discover how to implement the CA Index into your business? Contact Saguity or book a place at the next Client Revolution event.

And always remember: Different isn't always better, but better is always different.

The CA Index enlightens and provides a process that ensures you are able to revolutionise your business beyond the client experience to create and deliver dynamic value.

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“CLIENT APPRECIATION
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Location

—
Suite 1 Level 2
10A Atherton Road
Oakleigh VIC 3166 Australia

Contact Info

—
P : +61 3 8548 1888
M : contact@saguiity.com
W : www.saguiity.com