

The Importance of Customer Focus in Project Management^{1, 2}

Nédale Triyeh

ABSTRACT

We cannot manage what we cannot measure and that's the main purpose of this article. Nowadays, the customer's focus approach during project management is overshadowed by other issues on which project teams will more pay attention. However, it could be really easy and interesting to familiarize Project Managers with some Key Performance Indicators that concern customers and above all customer's satisfaction. It is possible to use some metrics to highlight and evaluates customer's loyalty, customer's happiness and customer's effort. Through this paper, three scores will be analysed; the Net Promoter Score (NPS), the Customer Satisfaction Score (CSAT) and the Customer Effort Score (CES) to understand their impact and to determine which is the most relevant.

Keywords: Customer focus; customer centered orientation; customer's loyalty; customer satisfaction; customer relationship management; customer service; customer complaints

INTRODUCTION

There is no successful project without a satisfied customer. Nowadays, customers have more than ever a huge importance in business. The customers are the party who will receive or consume a product or a service. They represent the most unpredictable stakeholder for a company because it is hard to know if the product or the service offered to them will meet their expectations and so if the company will make benefits.

Furthermore, companies consider customers as a whole and not just as individuals. Even if it is true that generally marketing departments and customer relationship management develop special customer oriented actions, it has to be enhanced to ensure to each project and to each company a good understanding about customer's needs and expectations. For instance, when a Project Manager is asked to create a product and a service, the risks concerning the project

¹ Editor's note: Student papers are authored by graduate or undergraduate students based on coursework at accredited universities or training programs. This paper was prepared as a deliverable for the course "International Contract Management" facilitated by Dr Paul D. Giammalvo of PT Mitratata Citragraha, Jakarta, Indonesia as an Adjunct Professor under contract to SKEMA Business School for the program Master of Science in Project and Programme Management and Business Development. <http://www.skema.edu/programmes/masters-of-science>. For more information on this global program (Lille and Paris in France; Belo Horizonte in Brazil), contact Dr Paul Gardiner, Global Programme Director, at paul.gardiner@skema.edu.

² How to cite this paper: Triyeh, N. (2018). The Importance of Customer Focus in Project Management, *PM World Journal*, Volume VII, Issue X - October.

will be analysed. And even if the Project Manager is not involved anymore after the project, the product deliverables will be evaluated by the final customers who are also source of expected benefits.

The point is that customer experience does not stop with the sale of the product. Companies need to know how they can enhance their relationship with customers and how they can keep them in long term. It is important to think about how companies can keep its customers in long term. Keeping an old customer is easier and less expensive than getting new ones. Companies have a vested interest in satisfying the customers in all levels and so the satisfaction even after the sale should be strongly considered. It is now well-common to notice a real awareness about the importance of customer service, the way to take into consideration customers' complaints and the way to care about their opinions

1- Problem definition

Nowadays, different tools have been developed to quantify customer's satisfaction. But the fact is that each indicator measures this satisfaction in a different approach or each indicator can be measured in different ways. These elements can demonstrate how vague is the method to define clearly the customer's satisfaction and so, it can halt the Project Managers to be interested in using the customer satisfaction measurement. The goal of this paper will be to demonstrate how efficient these tools can be, and highlight which one could be the most useful for a Project.

How customer orientation is important in projects and contracts to strengthen customer's loyalty?

Through this research paper, we will try to understand:

- 1) How it is possible to contribute to customer's loyalty.
- 2) See how far this customer's orientation can be implemented and if it is really efficient.

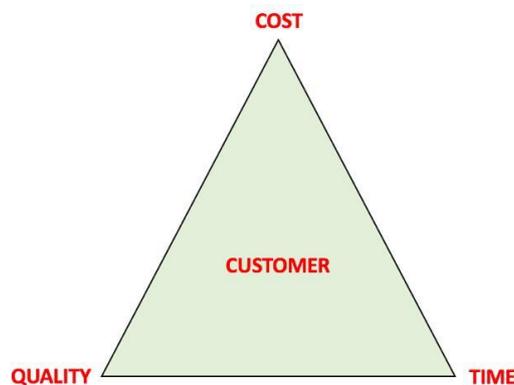


Figure 1: Project Management triangle in a Focus Customer Approach

Figure 1 : Project Management triangle in a Focus Customer Approach³

³ By author

2- Feasible alternatives

We choose 3 customer satisfaction measurements to analyse them and to express an opinion on their usefulness or appropriateness in a Project. So the three feasible alternatives are:

- the Net Promoter Score (NPS) is the best metric to be used for a Project
- the Customer Satisfaction Score (CSAT) is the best metric to be used for a Project
- the Customer Effort Score (CES) is the best metric to be used for a Project.

3- Development of the outcome for alternatives

First alternative: The **Net Promoter Score or NPS** gives an indication of the overall happiness and loyalty of the customers concerning a product or a service. The main advantage of this technique is that the questionnaire is often summarized in one single question:

“On a scale of zero-to-ten, how likely is it that you would recommend us (or this product/service/brand) to a friend or colleague?”

The fact to evaluate how much can a customer recommend a brand, a product or a service describes how he or she has been sincerely attracted and satisfied by it. We can more evaluate if the customer is sufficiently able to put his or her own credibility on the line to recommend a product or a service. That concerns the affective side of the customers.

By using a 0 (not at all likely) to 10 (extremely likely) scale, customers will judge how much they are satisfied by the product and will evaluate in a certain way their loyalty. Through this rate, companies will be able to take some corrective actions and do some improvements. Moreover, this question should be followed by a free text question where customers will justify their answer to well understand why they are satisfied or not and so to target the strengths and weaknesses of the product or service and so of the project itself.

Three categories of respondents can be highlighted:

- Promoters = respondents giving a 9 or 10 score
- Passives = respondents giving a 7 or 8 score
- Detractors = respondents giving a 0 to 6 score

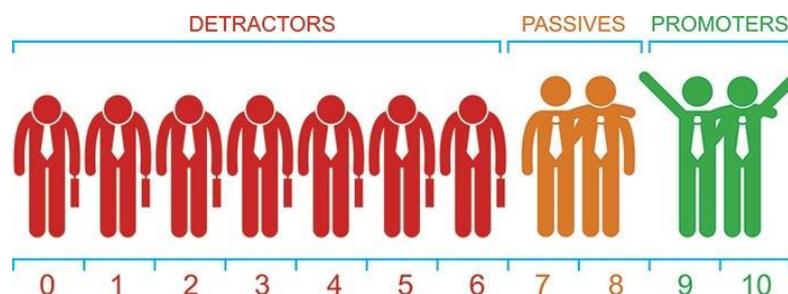


Figure 2: Net promoter score⁴

⁴ From : <https://www.checkmarket.com/blog/net-promoter-score/>

Second alternative: Then, the **Customer Satisfaction Score or CSAT** is known as the most standard and simplest customer satisfaction metric. The customer has to answer to questions to evaluate his or her satisfaction with the product and then the average of all the customer answers will be the CSAT score. If the NPS score is more focused on customer's loyalty, the CSAT concerns the customer satisfaction experience. This score describes many different types of customer service survey question.

Generally, the main question used in this process is:

“Overall, how satisfied are you with your product or service? “

The goal of this question is to evaluate customers' satisfaction by considering the emotional matter. A scale between 1-3, 1-5 or 1-10 is generally used. Two points have to be considered: as it is more like closed-ended questions, the CSAT questions should be nuanced to refine the analyze and make the score more accurate and targeted. Moreover, the questions for a CSAT should be followed by a free text question where customers will justify their answers and maybe suggest some actions to improve customer's experience.

Even if the CSAT score seems to be a general indication, it is actually a precise information about the customers because they can express what they feel personally about the product or the service and also about the customer's experience. The CSAT score presents a lot of advantages, as it is easy to calculate and evaluate and interesting to be used for real-time measurements.

Third alternative: The Customer Effort Score (or CES) is a tool that is used to evaluate customer effort rate. The customers' satisfaction depends on several matters: the experience, the quality of the product or service... but also the effort it took them to have the product or service, or to find a solution facing an issue.

The question used usually for this score is: How easy was it to get in contact/make a purchase/have your issue resolved?

The scale between 0-5 is generally used, 0 refers to a very low effort and 5 refers to a high effort. This metric is interesting for companies to do forecasting analysis. For instance, according to the CEB, 94% of the customers who affirm that they had a very low effort will repurchase so the score can be a useful tool to predict how many customers will repurchase a product from the same business. At the same time, if customers have a very high CES, they will not be interested by repurchasing anymore.

4 – Selection of the criteria

In order to decide which metric will be more adapted to be used in a project to have a customer focus approach, we have chosen 4 main criteria:

- **Type of question:** is the alternative bringing relevant information about customers for any project?
- **Precision of the answers:** Is the answer enough complete to be analysed?
- **Customers’ identification:** can the alternative be used to identify who the customers are?
- **Measure of the satisfaction throughout time:** can the alternative be used to have a short-term or long-term vision about customers’ satisfaction?

The minimum acceptance criteria would be the quality of the information that benefit from the metrics.

	NPS	CES	CSAT
Precision of the answers	Possible only if a free-text question is added	Possible only if a free-text question is added	Yes thanks to the diversity of the questions
Customers’ identification	Yes through the scale: Promoters (9-10) Passives (7-8) Detractors (1-6)	Quiet possible through the scale: 1: Very low effort so happy customer 5: Very high effort so unhappy customer	Hard because of the diversity of the questions
Measure of the satisfaction throughout time	Long-time	Short-time	Short-time
Type of question	On a scale of zero-to-ten, how likely is it that you recommend the product/service to a friend or colleague?	How easy was it to get in contact/make a purchase/have your issue resolved?	Overall, how satisfied are you with your product or service?

Figure 3. – Multi-Attribute Decision Making – Non-compensatory Model – Analysis of the dominance of each feasible alternative against each criterion⁵

⁵ By author

In order to assess each alternative, we will give them a grade between 0, 1 and 2 for all the attributes.

	NPS	CES	CSAT
Precision of the answers	1	1	2
Customers' identification	2	1	0
Measure of the satisfaction throughout time	2	0	0
Type of question	2	2	2
Total	7	4	4

Figure 4. – Multi-attribute decision making - Evaluation of each alternative against each attribute⁶

To differentiate the importance of the criteria, assess them in order to give them a rank to understand which is the most important criteria that organisation should choose to select an alternative.

	Precision of the answers	Measure of the satisfaction throughout time	Customers' identification	Type of question	Ranking
Precision of the answers	1	1	1		3
Customers' identification	1	1		0	2
Measure of the satisfaction throughout time	1		0	0	1
Type of question		0	0	0	0

Figure 5 – Comparison of the importance of the attributes⁷

⁶ By author

⁷ By author

Following the previous analysis through the figures, it is now possible to create a relative ranking of each alternative based on the attribute. We decided to choose a lexicography to have an overview of the best alternative for our topic, according to the attributes selected.

Ordinal Ranking		Relative ranking of each alternative based on attribute
4	Precision of the answers	CSAT > NPS=CES
3	Customers' identification	NPS>CES>CSAT
2	Measure of the satisfaction throughout time	NPS > CES = CSAT
1	Type of question	NPS = CSAT = CES

Figure 6 – Lexicography to choose the best metric⁸

FINDINGS

5 - Analysis and comparison of the alternatives

<u>ATTRIBUTE</u>	NPS	CES	CSAT
Precision of the answers	0,30	0,30	1
Customers' identification	1	0,30	0
Measure of the satisfaction throughout time	1	0	0
Type of question	1	1	1
<u>TOTAL</u>	3,30	1,60	2

Figure 7 Summary of Nondimensional scaling results⁹

⁸ By author

⁹ By author

ATTRIBUTES	Relative Rank	Normalized weight (A)	ALTERNATIVES					
			NPS		CES		CSAT	
			(B)	(A) x (B)	(C)	(A) x (C)	(D)	(A) x (D)
Precision of the answers	4	0,4	0,30	0,12	0,30	0,12	1	0,4
Customers' identification	3	0,3	1	0,3	0,30	0,09	0	0
Measure of the satisfaction throughout time	2	0,2	1	0,2	0	0	0	0
Type of question	1	0,1	1	0,1	1	0,1	1	0,1
TOTAL	10	1		0,72		0,31		0,5

Figure 8 . The additive weighting technique results¹⁰

Thanks to the summary of Nondimensional scaling results, we have been able to determine the additive weighting technique results and this figure clearly shows that NPS is the top scoring metric. However, CSAT and CES scores are quiet close to the NPS one so we need to be aware of the fact that the CSAT and CES are interesting too. The NPS is better to identify customer's identification, measure customers' satisfaction throughout time and the question asked gives generally the opportunity to customers to indicate a strong KPI (key performance indicator), which is their ability to recommend the product or service used.

6 – Selection of the preferred criteria

The NPS metric seems to be the most relevant one to measure customers' loyalty because it brings to the business a strong indication for the growth potential. It targets the profile of the detractors so that it will be easier to take some strategic actions through the customer service for instance to solve the problems the detractors encountered. Furthermore, it demonstrates a long-term satisfaction because the customers who will have a strong willingness to recommend the product or the service are more likely to stay loyal and to be interested by the future projects of the business. Besides, a Project Manage can definitely use the NPS in the performance review. Lastly, the NPS enables also to highlight the "promoters" customers, who are indirectly a customer salesforce for a business.

¹⁰ By author

However, we should keep an eye on the two other alternatives: Firstly, the CSAT is very useful when precise information is needed about a specificity of a product for instance so this score should be preferred. But, the questions concern only a specific interaction, a product delivery or a support event and so, the customer does not give their opinion about its relationship with the business but the targeted interaction. Then, CES gives a focus concerning the effort needed in a specific situation, but it is more difficult to use this score to analyse global processes.

7- Performance monitoring and post evaluation of results

If the NPS is the most relevant metric in most cases because it can be adapted to a diversity of projects and bring strong results, we can think about different strategies to track the performance:

- Determine a segmentation of the customers responding to the surveys and highlight the promoters and the detractors
- Use the scores and convert them into financial values
- Highlight what improvements can be done in the customer's experience, in the future, in the service
- Complete the Review performance with the most relevant scores to improve customer's satisfaction

CONCLUSION

We can now answer to the questions asked at the beginning of this research:

How it is possible to contribute to customer's loyalty?

The idea to put the customer at the centre of Project Management can be realised by familiarising the Project Manager and the Project Team with metrics that evaluate customers' satisfaction. There are several scores that can be analysed but their use will depend on the information needed to improve the product or service delivered.

How far this customer's orientation can be implemented and is it really efficient?

Customer's orientation can be implemented through 3 metrics that bring a global overview of customer's satisfaction. Each one has a specific goal and also can be correlated to another one. If a customer is satisfied by the product or service, that means that he or she will be willing to recommend it and that he or she did not face any effort. So It is also important to go beyond these results by adding text-free questions to let customers justify their answers. Finally, it is known clear that customer's satisfaction scores are easy and simple to understand so a Project Manager can definitely use these KPI do keep a customer's approach during the project and always think about what would the customers think about this product or service? Would they

recommend it? Could they be satisfied by it? And, will they have to make a huge effort to get it, or solve an issue related to the product or service?

This final quote of Jeff Bezos, Founder & CEO of Amazon could resume the interest of these metrics: “People want what’s best for them, and they can switch on a dime, because there’s always a new disruptor disrupting the last disruptor. So companies should just strive to keep changing and adapting to their customers’ needs.”

BIBLIOGRAPHY

- Digital by Möbius group. (2017). *The Net Promoter Score (NPS) vs Customer Effort Score (CES) - Digital by Möbius group*. [online] Available at: <http://digital.mobius.one/2017/02/24/net-promoter-score-nps-customer-effort-score-ces/> [Accessed 26 Nov. 2017].
- Ellis, C. (2015). *Why customer satisfaction is your most important project metric*. [online] CIO. Available at: <https://www.cio.com.au/article/570800/why-customer-satisfaction-your-most-important-project-metric/> [Accessed 26 Nov. 2017].
- Goss, J. (2008). *Create and sustain a customer focus within projects*. [online] TechRepublic. Available at: <https://www.techrepublic.com/blog/tech-decision-maker/create-and-sustain-a-customer-focus-within-projects/> [Accessed 26 Nov. 2017].
- Graves, P. (n.d.). *If Customer Loyalty is a Myth, What Should You Focus On Instead?*. [online] Go.oracle.com. Available at: <https://go.oracle.com/LP=32139?elqCampaignId=103839&src1=ad%3Apas%3Ago%3Adg%3Asvcl&src2=wwmk170620p00049c0003&SC=sckw&mkwid=snPAXY76E%7Cpclid%7C211755572778%7Cpkw%7Ccustomer+loyalty%7Cpmt%7Cp%7Cpdv%7Cc%7Csckw> [Accessed 26 Nov. 2017].
- Gulati, R. and B. Oldroyd, J. (2005). *The Quest for Customer Focus*. [online] Harvard Business Review. Available at: <https://hbr.org/2005/04/the-quest-for-customer-focus> [Accessed 26 Nov. 2017].
- Lang, S. (2017). *Choosing a survey methodology - NPS, CSAT, CES - Clicktools*. [online] Clicktools. Available at: <http://www.clicktools.com/choosing-a-survey-methodology-nps-csat-ces/> [Accessed 26 Nov. 2017].
- Litten, D. (n.d.). *PRINCE2 Primer*. [online] PRINCE2 Primer - Mastering PRINCE2 Project Management. Available at: <https://www.prince2primer.com/customers-quality-expectations-and-acceptance-criteria> [Accessed 26 Nov. 2017].
- Madsen, S. (2015). *Three reasons why projects fail and what we can do to prevent it - AXELOS Blog Post*. [online] AXELOS. Available at: <https://www.axelos.com/news/blogs/december-2015/three-reasons-projects-fail-and-how-to-prevent-it> [Accessed 26 Nov. 2017].

- Millikin, L. (2016). *CSAT, NPS, SUS: Find the Right Customer Satisfaction Metric*. [online] SurveyGizmo. Available at: <https://www.surveygizmo.com/survey-blog/customer-satisfaction-metrics/> [Accessed 26 Nov. 2017].
- MILLINGTON, R. (n.d.). *Calculating The Customer Satisfaction Score (CSAT), Net Promoter Score (NPS), Or Customer Sentiment Score (CES) | FeverBee*. [online] Feverbee.com. Available at: <https://www.feverbee.com/roi/calculating-the-customer-satisfaction-score-csat-net-promoter-score-nps-or-customer-sentiment-score-ces/> [Accessed 26 Nov. 2017].
- OpenView Labs. (2011). *10 Quotes on the Power of Being Customer-Focused | OpenView Labs*. [online] Available at: <https://labs.openviewpartners.com/power-of-being-customer-focused-quotes/#.WhqSRbSdVE4> [Accessed 26 Nov. 2017].
- Pallacio, M. (2017). *Measuring Customer Happiness: CSat, NPS, CES*. [online] Ebba Blog. Available at: <http://blog.ebba.ai/measuring-customer-happiness-csat-nps-ces/> [Accessed 26 Nov. 2017].
- Radh, D. (2016). *CSAT, CES or NPS? Which Customer Satisfaction Metric Is Right For You?*. [online] QuickTapSurvey Blog. Available at: <https://www.quicktapsurvey.com/blog/csat-ces-or-nps-which-customer-satisfaction-metric-is-right-for-you/> [Accessed 26 Nov. 2017].
- Scott Smith, P. (2012). *How to Measure Customer Satisfaction: Do You Overlook these 4 Key Customer Satisfaction Measurements? | Qualtrics*. [online] Qualtrics. Available at: <https://www.qualtrics.com/blog/customer-satisfaction-measurement/> [Accessed 26 Nov. 2017].
- Van Dessel, G. (2011). *Net Promoter Score (NPS) - use, application and pitfalls*. [online] CheckMarket. Available at: <https://www.checkmarket.com/blog/net-promoter-score/> [Accessed 26 Nov. 2017].

About the Author



Nédale Triyeh

Paris, France



Nédale TRIYEH, French, who after 4 years of studies in Public and Business Law is now currently enrolled in a Master Programme Grande Ecole, specialized in “Project and Programme Management and Business Development for Business Excellence” at SKEMA BUSINESS SCHOOL in Paris and also strongly interested in customer relationship management. Several experiences in customer care departments of luxury brands strengthen her willingness to keep a customer focus approach through each Project where she is involved. Nédale can be contacted at nedale.triyeh@skema.edu or www.linkedin.com/in/nedale-triyeh-3b524a108.