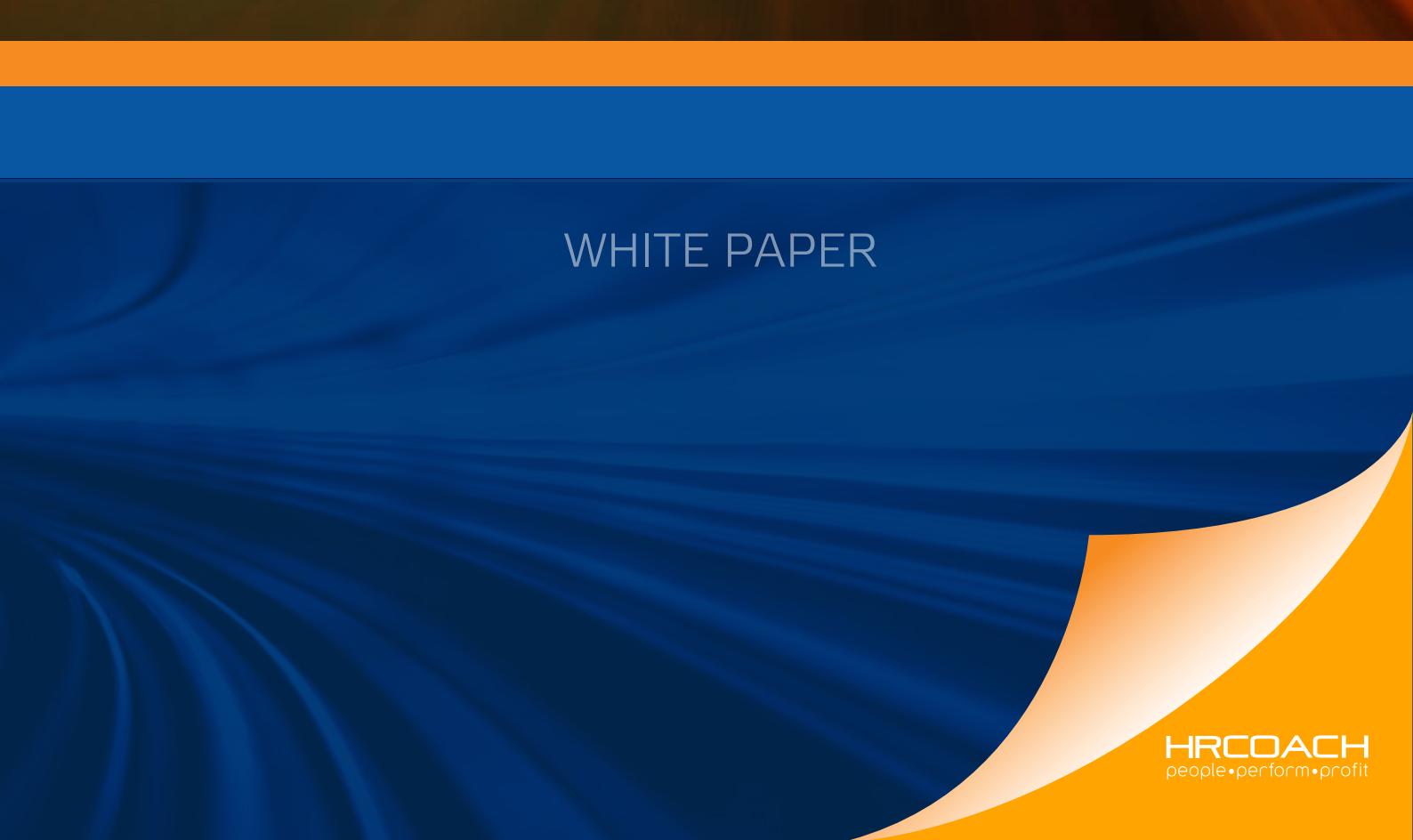


ACCELERATING PERFORMANCE THROUGH CLIENT ENGAGEMENT



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INTRODUCTION

The Global Financial Crisis has challenged the business sector with market uncertainty, scarcity of funding, increased red tape and changing consumer patterns. The market has responded, largely, by doing nothing. According to the HR Quarterly Index, since 2007 there has been little change within the sector. Businesses have not been investing in capital expenditure, strategy has been put on hold, employment has been stagnant and wages have been frozen. The sectors strategy has become one of survival not growth.

So what happens when nothing changes? The trends indicate that businesses are stagnating and that there is little suggestion of improvement. The reality is that when the market is uncertain, it can be ill advised to invest in an untried strategy that may put the business under pressure. This is a risk that most are not willing to take. As a result, nothing is done.

Large-scale change, or revolutionary measures, can be difficult for the business sector to absorb, both in terms of cost, as well as pressure on time and resources within the core business. For most it is not an option.

Smaller changes, or evolutionary measures, are perhaps more achievable where improvements and investment are made over time. It means being inventive and consistent with new smaller changes. For most, it is left for another day.

EVOLUTION IN BUSINESS

In 2008 the HR Coach Research Institute began conducting an in-depth study of 212 businesses across Australia and New Zealand through a business improvement program, STAR Workplace. Participants of the STAR Workplace Program have provided invaluable data to the research study. Strategy implementation, performance of employees, employee engagement and internal processes were analyzed. Both quantitative and qualitative data was captured from employers and employees resulting in unprecedented data.

In 2011 members of the HR Coach Research Institute Panel published the primary results. Dr Martie-Louise Verreyne – University of Queensland, Dr Polly, Parker – University of Queensland, and Dr Marie Wilson – Griffith University released Employment Systems in Small Firms: A Multilevel Analysis. The paper was published in the renowned International Small Business Journal.

The study has provided a unique view into the evolutionary nature of work and the barriers and enablers of improvement. A new insight has been gained into the multi-dimensional view of engagement.



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A NEW VIEW ON ENGAGEMENT

Traditionally, engagement within organisations has been viewed one dimensionally. Employee engagement is widely known as critical in achieving organisational success. Viewing employee engagement in isolation however, is dangerous as the overall impact of engagement is unknown.

In 2011, the HR Coach Research Institute published the White Paper – Managing Back to Certainty. (Download @ www.hrcoach.com.au). This paper explored a new dimension in engagement – that of the employer.

Employer engagement is a unique factor that exists within the business sector. The business sector is defined as organisations with less than 200 employees. The engagement of a business owner within their own business is equally important as that of the employees. If the business owner is not engaged with the strategy and operations of the business, the entire organization suffers. Given employers reluctance or inability over the past five years to make decisions in regards to strategy and investment, business foresight has suffered. Persisting with the strategy of “business as usual” for an extended period of time is a warning sign of low employer engagement.

The longer this extends, out of frustration or necessity, the more likely strategy stagnation is to set in and the more disengaged an employer can become.

THE OUTCOME OF LOW EMPLOYEE ENGAGEMENT

When an employer is not engaged with their business it has a flow on effect to employees. They can become comfortable in the everyday or disillusioned with the absence of leadership. It can be difficult for employees to look forward to a challenge or career development if they are not confident the business can offer them. The everyday becomes monotonous and employees become disengaged.

This is a real issue for workplaces. The employment relationship can become destructive, as the employer is preoccupied with the survival of the business.

Disengaged employees are indifferent to business performance. They have a “low care factor” or a negative impact on delivering on sales. This in turn can worsen the business outlook and place increased pressure on employers as they struggle to retain the customers they already have, let alone develop or acquire new business.

So what can businesses do to overcome this challenge? A key finding in the research was the impact client engagement can have on overall business performance – the third dimension of engagement.



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CLIENT ENGAGEMENT – THE THIRD DIMENSION

The HR Coach Research Institute delved further into the research to explore the concept of client engagement and its impact on organisations. The findings were telling. Employers in high performing organisations were 24% more satisfied with the level of Customer Service provided by employees than employers in low performing organisations. This is one of the largest variances in the research. This indicates that client engagement is critical for overall improved organisational performance.

Employer Result



There are clear correlations in the data that link employee engagement, business performance and sales to client engagement. Focusing on client engagement may be the most effective way to improve overall business performance.

This finding was further supported when looking at the employee data. The research results identified that employees mirrored employers when talking about their satisfaction in regards to customer focus, feedback and needs. The higher the employee results the higher the overall performance of the organisation.

Employee Results



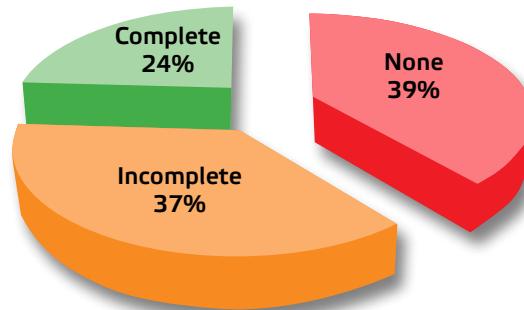
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CLIENT MANAGEMENT

Given the significance of client engagement, the way organisations manage their client relationships is increasingly important. As a result the study also evaluated the completeness of client management documentation. 39% of all businesses had no documentation or analysis of client results. A further 37% stated they had documentation, but that it was not complete or improvements were required.

Client Management Process & Analysis



This means that less than 25% of businesses are actually proactively managing their client relationships. As the cost of client acquisition continues to rise and businesses continue to neglect investing in capital expenditure, focusing on existing clients is critical. Effective client management enables organisations to move beyond the point of sale to a point of value.

3 out of 4 businesses have an opportunity to improve their business results – today.

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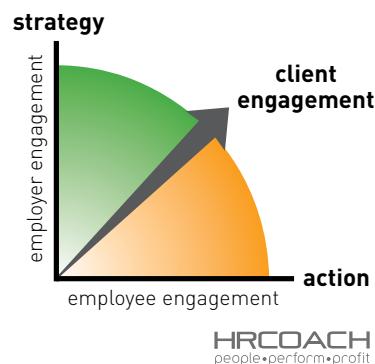
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FOUNDATIONS OF ENGAGEMENT – A COMMON PURPOSE

With this information and the strategies of how high performing organisations are proactively managing client engagement, the HR Coach Research Institute has identified critical models and methods to fast track client engagement for improved business performance.

Strategic Action Model™

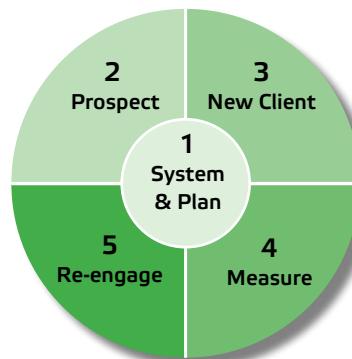
Business Model of Engagement



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Client engagement completes the business engagement cycle. The elements to engagement include the employer, who engages with their strategy and the employee, who engages with their work. Both focus on the client, creating a sense of purpose for both the employer and employee. Last but not least the client experience is enhanced.

The Client Engagement Factors have been developed to reflect the difference in the management systems of low and high performing organisations. The model identifies an underlying business system for managing clients and is core to engagement. How this model is applied in low and high performing organisations is, as one would expect, different.



Client Engagement Factors Model© HR Coach International

Our research shows that low performing organisations focus on the first three factors, client acquisition. They fail to look beyond this. The system is incomplete and little is done to manage the client relationship.

High performing organisations, on the other hand, focus on all five factors of client engagement. The focus is the creation of client value. It is important to note that what a client values is dependant on what their expectations are. Whether it is a business to business or a business to consumer model, understanding the client in the first instance is critical.



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INTEGRATED PLANNING

Including the 5 Client Engagement Factors within a sustainable management system is where a business will fast track their overall business strategy. An Engagement Plan for clients can be integrated into the overall business planning process, making strategy relevant for businesses who have been stuck in the "business as usual" paradigm.

Integrating planning of client engagement with employee engagement ensures businesses have maximum return on investment. Furthermore, a common purpose is achieved for employers and employees.

If this planning and implementation is done effectively it requires no additional resources, technology and minimal time. It can be gradually introduced into an organisation as an evolutionary measure. Improvements can be made over time and consistently monitored to track their effectiveness and mitigate risk.

Focusing on client engagement may be the most effective way to improve overall business performance. For those organisations simply staying the course in the hope of better times ahead, client engagement may be the catalyst needed to improve the sectors outlook.

HOW WE CAN HELP

The HR Coach Network has the exclusive rights to the Client Acceleration Program. It is a program designed to transform an organisations focus from point of sale to point of value. This process is an integrated one that can be performed alongside employee engagement, as stated above, allowing for maximum return on investment. To learn more contact your nearest HR Coach Network Member. www.hrcoach.com

ABOUT HR COACH

HR Coach is an international network of business professionals working with clients to be more strategic and proactive in their people management. With over 90 offices across Australia and New Zealand, HR Coach is backed by the HR Coach Research Institute to provide insight and currency in applied methodology.

The HR Coach Research Institute uses unique data sets from the STAR Workplace Program to identify current and emerging issues and innovations in workplaces. This analysis and report was collated by Louise Broekman, Chair of the HR Coach Research Institute and moderated by Udo Doring, secretariat of the HR Coach Research Institute.

To find out more please visit
www.hrcoach.com.au

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