

## Vision - Heaven Without Hell Can Be Dangerous

Books about business seem to proliferate in inverse proportion to company performance. Despite all the books, articles and research there still does not seem to be any guaranteed winning formula. Probably managing in a global, information rich, high-speed world is just too complex to produce such winning formulas (of course this begs the question, what is winning anyway?). However this does not stop us trying; producing new products, services, plans, strategies and visions of successful heavenly utopias; without such optimism some of us could hardly get up in the morning. Therefore it is particularly interesting to read a newly published book 'Why Smart Executives Fail' by Sydney Finkelstein.

'Why Smart Executives Fail' examines the various failures or hells of companies and executives, as Finkelstein says "The literature and business schools are dominated by best practice-the best way to do things, how to get things right, how to be successful. Very seldom do we look explicitly at the other side, even though intuitively we always say we learn from mistakes". The book examines what Finkelstein identifies as several distinct and common causes for failure. Most of these are centred upon lack of what might be termed environmental awareness such as customers, competition, markets or their own strengths and weaknesses. However as Stuart Crainer states in his review of the book "the most obvious failure factor is complacency. This includes blind faith that things will be all right despite plummeting sales or over-confident disregard for upstart competitors". In other words too much heaven on the mind and not enough hell, or as William James suggests "the method of averting one's attention from evil, and living simply in the light of good is splendid as long as it will work" however "the evil facts which it refuses positively to account for are a genuine portion of reality: and they may after all be the best key to life's significance, and possibly the only openers of our eyes to the deepest levels of truth".

I suppose the most obvious recent example of this blind concentration on utopian outcomes would be the dot.com bubble and telecoms boom. Here we saw a concentration on the 'upside' that led to the suspension of that 'awareness' of failure (or hell) so necessary to restrain our natural pioneering hubris. Indeed this 'suspension' was so total as to denigrate even sound business practices, practises that whilst not necessarily being winning formulas do at least tend toward more stable outcomes. However these examples are to take an obvious set of extremes and in themselves are dangerous, for it is just too easy for us to believe we have learnt our lessons. If we were to turn to examining many of the various CRM initiatives we would see a similar sorry tale of failure, again with many billions of pounds thrown away. However this heavenly pursuit is far less obvious and performed in the name of customer awareness, after all lack of customer awareness is one of the key reasons for failure, therefore investing here must be good and bring commercial benefits.

CRM systems (as a combination of people, technology, organisation and resources) promise an efficient handling of customer contact and the accumulation of data, holding out the prospect of improved service and profiling of customers. Yet recent research clearly shows that customers in general don't think much of service levels, their expectations are increasing and most companies are simply not keeping up. As for the vast mountains of customer data, few companies do anything with it other than

the most basic transactional logging and even those that do tend to use it in unimaginative ways. Of course there remains considerable doubt whether this accumulation of data is in any sense useful, for we, as consumers become ever more situational, mobile, fragmented and eccentric in our choices and therefore difficult to predict. The truth is that the promise of many CRM systems has become organisational hell for many companies. In many cases the promise was based on a false premise that attempted to subvert the qualities of genuine relationships into some form of data driven, factory-processing format: a format that lost the central requirement of authenticity, a value high on the list of customer requirements. Not creating and sustaining an authentic value lead relationship is the true hell of customer service, having identified the hell perhaps we can begin to build a new heaven.